

<b>Classification:</b> Open	<b>Decision Type:</b> Non-Key
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<b>Report to:</b>	Cabinet	<b>Date:</b> 04 December 2024
<b>Subject:</b>	2024-25 Q2 Finance Position	
<b>Report of</b>	Cabinet Member for Finance and Transformation	

### Summary

1. To present to members the 2024/25 forecast revenue outturn position as at 30 September 2024.
2. To present to members the 2024/25 forecast savings position as at 30 September 2024.
3. To present to members the 2024/25 forecast capital outturn position as at 30 September 2024, noting the revised capital programme and request approval of the further re-phasing of £4.973m of the capital programme into future years.
4. To present to members the 2024/25 forecast Collection Fund position as at 30 September 2024
5. To present to members the updated 2024/25 budget and forecast for the Housing Revenue Account (HRA) position as at 30 September 2024.

### Recommendation(s)

6. Cabinet is asked to:
  - Note the 2024/25 forecast revenue outturn position as at 30 September 2024 of a £3.011m overspend (1.34%) against a net budget of £224.480m.
  - Note the 2024/25 forecast savings position as at 30 September 2024 of a forecast overachievement of £332k (5.23%) against an agreed target of £6.345m.
  - Approve the in-year updates and re-phasing of the capital programme, revising the capital delivery programme for 2024/25 to £85.339m which will form the basis for future in-year monitoring and reporting of performance.
  - Note the 2024/25 forecast Collection Fund Position as at 30 September 2024 of a surplus of £3.921m of which £3.291m relates to Bury's share.
  - Approve the revised Housing Revenue Account (HRA) budget of a £5.997m surplus before appropriations following the work undertaken to integrate the Six Town Housing budgets and management structure into the HRA.

## Reasons for recommendation(s)

7. To update members on the Council's budgetary position and actions taken or being taken to ensure budgetary targets are achieved.
8. This report is in accordance with the Council's financial procedure regulations.

## Alternative options considered and rejected

9. N/A

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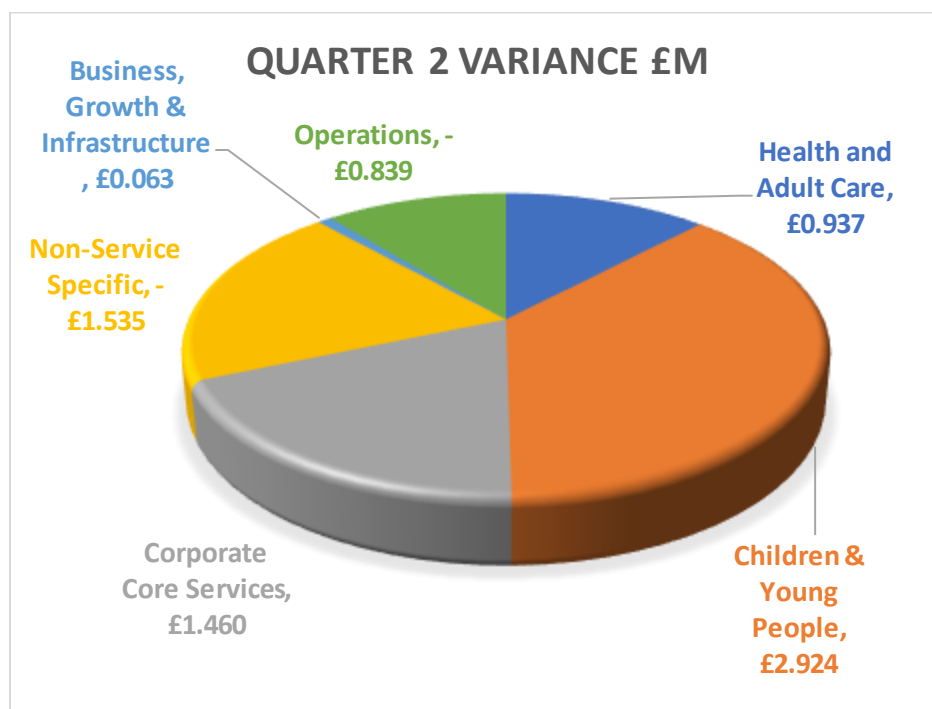
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## Background

### **2024/25 Quarter 2 Forecast Outturn Position**

10. The 2024/25 general fund revenue month 6 forecast outturn position shows an overspend of £3.011m which represents a variance of 1.34% compared to the overall net revenue budget of £224.840m, an increase in the forecast overspend of £391k from the position at month 3 previously reported to Cabinet. The forecast is based on expenditure and activity levels at the midpoint of the year, with assumptions made with regard to forecast changes over the rest of the year with the future demand for adult and children's social care services being inherently difficult to predict.
11. The variance is in addition to an approved contribution from reserves of £13.149m to address the structural funding gap in the current year revenue budget set at February Council and amended at July Cabinet. Whilst the forecast variance remains a relatively small proportion of the budget, officers are continuing to work on cost reduction measures targeted at delivering as close to a balanced position as possible, as an overspend at year-end would become an additional call on reserves.

2024/25 Quarter 2 Forecast Outturn	Revised Budget £m	Quarter 2	Quarter 2	Month 3	Movement £m
		Forecast Outturn £m	Forecast Variance £m	Forecast Variance £m	
<u>Directorate:</u>					
Health and Adult Care	£86.518	£87.455	£0.937	£1.232	(£0.295)
Children & Young People	£56.761	£59.686	£2.924	£1.915	£1.009
Corporate Core Services	£26.864	£28.324	£1.460	£0.381	£1.079
Non-Service Specific	£36.948	£35.413	(£1.535)	(£0.751)	(£0.784)
Business, Growth & Infrastructure	£0.492	£0.555	£0.063	£0.034	£0.029
Operations	£16.976	£16.137	(£0.839)	(£0.191)	(£0.647)
Housing General Fund	(£0.079)	(£0.079)	£0.000	£0.000	£0.000
<b>NET REVENUE BUDGET</b>	<b>£224.480</b>	<b>£227.491</b>	<b>£3.011</b>	<b>£2.620</b>	<b>£0.391</b>
<u>Funding:</u>					
Council Tax	(£110.198)	(£110.198)	£0.000	£0.000	£0.000
Business Rates	(£71.282)	(£71.282)	£0.000	£0.000	£0.000
Government Funding Grants	(£29.851)	(£29.851)	£0.000	£0.000	£0.000
<b>FUNDING</b>	<b>(£211.331)</b>	<b>(£211.331)</b>	<b>£0.000</b>	<b>£0.000</b>	<b>£0.000</b>
<u>Use of Reserves:</u>					
Budget Stabilisation Reserve	(£13.149)	(£13.149)	£0.000	£0.000	£0.000
<b>USE OF RESERVES</b>	<b>(£13.149)</b>	<b>(£13.149)</b>	<b>£0.000</b>	<b>£0.000</b>	<b>£0.000</b>
<b>BUDGET POSITION</b>	<b>£0.000</b>	<b>£3.011</b>	<b>£3.011</b>	<b>£2.620</b>	<b>£0.391</b>



12. Details of the significant variances include:

Health and Adult Care:

The Health and Adult Care directorate is forecast to overspend by £937k, an improvement of £295k on the reported position in quarter 1.

- The Care in the Community budget is forecast to overspend by £1.722m (3.50%) which is a £471k increase on the forecast reported at quarter 1. The increase is due to an increase of existing care package costs and an increase in demand regarding newly commissioned care. The underlying position suggests a larger potential forecast overspend however, this forecast reflects the positive steps already in train to manage future demand and the Directorate will continue to work on reducing costs further and target the delivery of a balanced position by the end of the year.
- The main drivers of the Care in the Community budget overspend are due to:
  - Impact of the funding fallout of health monies regarding a contribution towards joint funded care packages.
  - Withdrawal of Continuing Health Care (CHC) Funding.
  - Increase of Section 117 Mental Health Aftercare Packages.
  - Exhaustion of Self Funder financial resource.
  - New Demand.
  - Increases to existing Care packages.
- The Commissioning and Procurement budget is forecast to overspend by £186k (1.08%), which is a £248k improvement on the position reported at quarter 1. The improved position is largely the result of a £200k reduction to the £400k pressure on the Persona budget regarding additional Supported Living staff costs. The main driver of the quarter 2 overspend is largely the remaining £200k pressure regarding additional Supported Living staffing costs at Persona. The expectation is that the remaining pressure will be mitigated in full by 31 March 2025, however, until there is assurance that the £200k pressure is reducing, the pressure will continue to be built into the forecast reported position.
- The Adult Social Care Operations budget is forecast to underspend by £417k (5.44%), which is an improvement of £153k on the forecast underspend reported at quarter 1. The increase in the underspend is due to revised staffing budget forecasts within Operations staffing budgets. The main driver of the quarter 2 underspend remains staffing vacancies. The ASC workforce retention strategy continues to recruit Social Workers in Operational teams thereby strengthening focus on delivery of care package savings. However, recruiting to vacant posts remains a challenge and therefore affects the ability to deliver services to their full capacity.
- The Departmental Support Services budget is forecast to underspend by £347k an increase of £225k from the position reported at quarter 1. The increase in the underspend is due to revised staffing forecasts within the

Senior Management and the Adult Social Care Financial Support Service budgets.

- The Public Health budget is forecast to underspend by £207k on a one-off basis in relation to delayed contractual implementation dates. This is an improvement on the underspend reported in quarter 1 of £139k.
- The 2024/25 HAC agreed savings programme is £4.285m. As at quarter 2 £3.668m (85%) of savings have been delivered. The current HAC savings delivery forecast projects a total saving delivery of £4.854m which is an overachievement of £0.570m. This is being achieved via ongoing reviews of care packages and robustly applying the strength-based ethos with regards to commissioning care packages.

#### Children and Young People:

The Children and Young People directorate is forecast to overspend by £2.925m overall, an increase of £1.010m overall from the reported position at quarter 1.

- The Education & Inclusion division is forecast to overspend by £717k, an increase of £33k from the reported quarter 1 position. Home to School Transport is forecast to overspend by £654k (20.34%), (£379k of this relates to increased demand arising from additional approved EHCP's; £245k relates to underachievement of the savings target due to the implementation date of September 2025 and £30k underachieved target relating to the increased use of personal budgets); a £240k Early Years cost that can no longer be charged to the Dedicated Schools Grant, which has been addressed in the MTFS for 2025/26 and an overspend of £119k on Early Retirements. These overspends are offset by vacancy savings totalling £339k.
- The Safeguarding and Social Care service is forecast to overspend by £2.433m overall an increase of £916k from the reported quarter 1 position, within this is an overspend of £4.070m (27.96%) in relation to external placements, due to an additional 7 placements during the quarter and an assumption of a level of ongoing demand for the remainder of the year. This is offset by underspends of £860k (5.45%) in additional grant income, internal fostering, HEN (Housing Employment and New opportunities) and CAHMS services due to reduced placements; vacancies totalling £595k within Early Help and School readiness and Quality and Assurance and Safeguarding services. The additional agency budget of £1.4m has been re-aligned to the SEND Improvement Programme to ensure funds are in the correct place.
- The Children's Services Management Division is reporting an underspend of £146k (6.19%), a worsening of £70k from the reported quarter 1 position, due to staff vacancies within Business Support and an expected underspend on the agency budget.
- There is an underspend of £225k made up of individual variances below £100k.

- CYP has required further investment to manage the in-year caseload demand pressures for an additional Initial Response Team; an additional Family Safeguarding Team; 2 additional Family Support Workers; 2 Personal Family Advisors and fixed term Recruitment and Communications support. The part-year cost within 2024/25 is estimated to be £573k assuming recruitment is successful, and posts are filled from 1 October 2024, these costs are to be funded from reserves in 2024/25 and have been built into the MTFs from 2025/26 onwards.

### Corporate Core Services

The month 6 forecast overspend on Corporate Core Services is £1.460m an increase of £1.079m from the position reported at quarter 1.

- Housing Needs and Options is forecast to overspend by £1.043m (195.32%), a worsening of £1.020m from the reported position at quarter 1, the movement in the forecast position is primarily due to the removal of the forecast use of reserves previously assumed for the overnight accommodation pressures. The overspend relates to overspends on overnight accommodation £992k and rents £127k, offset by overachievement of £124k in housing benefit, rental and service charge income, underspends on Pilot Projects of £131k. There is a net overspend of £160k made up of a number of small individual variances below £100k.
- Legal & Democratic Services has a forecast underspend in Coroners of £60k (6.15%) and is forecast to underspend overall by £166k (6.05%), in line with the quarter 1 reported position, made up of a number of small individual variances below £100k.
- Elections & Governance is forecast to underspend by £100k (16.45%) which relates to the estimated contribution from GMCA for the Mayoral election costs.
- The Corporate Core Executive Director service is forecast to overspend by £256k (3.67%), a worsening of £311k from the reported quarter 1 position due to:
  - A review of infrastructure and support contracts (systems moving from onsite to the Cloud) £537k (34.24%). This has worsened by £148 from the position reported at quarter 1 due to increasing costs that are not able to be capitalised.
  - Offset by staffing vacancies of £320k: (Digital Data & Technology services (formerly ICT), £209k (7.93%), Strategic Partnerships £95k (22.56%). This is a reduction of £100k in the forecast underspend reported at quarter 1 due to successful recruitment taking place earlier than anticipated.
  - Additional one-off income of £21k within Emergency Response & Resilience.
- The £554k (5.31%) overspend in Finance, a worsening of £21k from the reported quarter 1 position, is a consequence of bringing in additional

resources over and above establishment to cover key roles within services such as in CYP, Operations and Corporate Core, Corporate Finance and Revenues and Benefits.

- There is an underspend of £67k made up of individual variances below £100k.

#### Non-Service Specific:

The Month 6 underspend within Non-Service Specific is forecast to be £1.535m, an improvement of £785k from the position reported in quarter 1:

- The Treasury Management budget is forecast to underspend overall by £1.568m (64.62%) due to:
  - Increased forecast income on investments £370k (65.60%).
  - In addition, the capital financing budget is forecasting an underspend of £1.198m (0.10%) resulting from a reduction of forecast expenditure in the Capital Programme requiring additional borrowing.
- The Bury Markets RAAC costs are currently forecast to be £368k and are being funded via reserves.
- There is an overspend of £32k made up of individual variances below £100k.

#### Business Growth and Infrastructure:

- BGI is forecasting broadly on budget with an overspend of £63k (12.8%), compared with an overspend of £34k at quarter 1. The variance is within the Land and Property service with £50k relating to surface water costs at Bradley Fold Trading Estate. There remains a risk of further costs arising in relation to Bradley Folding Estate along with higher than expected utility costs which are currently being investigated and challenged.

#### Operations:

The month 6 forecast underspend within Operations Directorate is £839k, an improvement of £648k from the position reported at quarter 1 of which £470k relates to the assumed use of reserves as noted below.

- Commercial Services has forecast to be on budget overall an improvement from the £353k overspend reported at quarter 1, however within this are forecast net losses of £449k (34.06%), due a forecast underachievement of income within Markets, specifically within the Market Hall £592k (22.22%) offset by underspends on Markets staff costs (£91k) (13.31%), and £31k of individual variances less than £100k. These costs are being funded from reserves and as such, are not impacting on the forecast position.
- Facilities Management is forecast to underspend by £573k (20.97%), a £13k improvement on the quarter 1 reported position due to:
  - Architects – has a forecast underspend of £277k.
  - Admin Buildings – is forecast to underspend by £296k (11.01%).

- Street Scene Maintenance – is forecast to underspend by £316k (5.99%) £235k of which is within the Street Lighting function, an improvement of £37k on the reported quarter 1 position. The forecast underspend is due to a mix of reduced prices and efficiency savings due to the introduction of LED upgrades £235k (15.30%).
- The Wellness service is forecast to overspend by £201k (9.10%) which is a £15k worsening from the reported quarter 1 position. The overspend is mainly driven by under-recovery of income of £219k (9.22%) within Leisure Facilities.
- Waste, Transport and Stores has a net forecast overspend of £51k (0.89%) a £138k worsening from the reported quarter 1 position relating to underspend budgets which have been repurposed for agreed priorities. The main drivers are a forecast an overspend on vehicle hire £132k (46.64%) offset by a forecast underspend of £154k (2.4%) within Waste services made up of individual variances below £100k.
- There is an overspend of £223k made up of individual variances below £100k.

13. Based on the information above and the impact on delivery a revised Corporate Plan is appended to this report which updates the milestones as agreed at the start of the year and will be tracked through the quarterly performance report presented to Cabinet.

### Savings position

14. The council's performance against the approved savings proposals can be seen in the table below. The RAG rating indicates if the proposal is not achievable (red), forecasting to underachieve (amber), on target (green) or already complete (blue). There are currently 6 schemes which are complete totalling (£2,436k), 2 schemes which are currently rated amber with a total forecast underachievement of £275k, with no schemes currently rated red. The targets which are categorised green totalling (£3,414k) are currently forecast to over-achieve by (£487k).

Savings Proposal	Directorate	RAG Rating	24/25 Savings Target (£000s)	Quarter 2 Achieved to date (£000s)	Quarter 2 Forecast Outturn (£000s)	Quarter 2 Variance (£000s)
Review of Working Age Adults' Costs Against a Robust National Toolkit	HAC	G	(£700)	(£580)	(£950)	(£250)
Development of Wider Learning Disabilities Strategy for Age 14-25 Cohort	HAC	G	(£180)	(£150)	(£245)	(£65)
Residents Transitioning to Alternative Packages	HAC	G	(£375)	(£310)	(£510)	(£135)
Enforce S22 of Care Act	HAC	C	(£336)	(£336)	(£456)	(£120)
Reduce Public Health Staffing	HAC	C	(£33)	(£33)	(£33)	£0
Consolidation of Community Bed Capacity	HAC	C	(£1,627)	(£1,627)	(£1,627)	£0



Support at Home Budget - part of £500k HRA element - service ended	HAC	C	(£150)	(£150)	(£150)	£0
Increase Fees and Charges through Financial Assessments - ensuring service users get all benefits available and pay their contribution. (Client Income)	HAC	G	(£684)	(£345)	(£684)	£0
Remove Bad Debt Provision - realignment	HAC	C	(£200)	(£200)	(£200)	£0
Children's Short Breaks & Personal Budgets	CYP	G	(£100)	(£50)	(£100)	£0
SEND Transport	CYP	A	(£345)	£0	(£70)	£275
Direct Payment Audits	CYP	G	(£100)	(£126)	(£150)	(£50)
Capitalisation of Salaries through Capital Receipts	BGI	G	(£150)	£0	(£150)	£0
Increase in Planning Fees	BGI	A	(£150)	£0	(£150)	£0
Additional '3 days unpaid leave' Income	NSS/CCS	C	(£90)	(£90)	(£90)	£0
Integration of Housing Services	NSS/CCS	G	(£1,000)	£0	(£1,000)	£0
Additional Workforce Savings	NSS/CCS	G	(£25)	£0	(£12)	£13
Service Reviews within the Corporate Core - Incl capitalisation of salaries 25/26	CCS	G	(£100)	£0	(£100)	£0
<b>TOTAL SAVINGS PROPOSALS FEBRUARY 2024</b>			<b>(6,345)</b>	<b>(3,997)</b>	<b>(6,677)</b>	<b>(332)</b>

- SEND transport – £245k of this target cannot be implemented before September 2025, however, £70k of the remaining £100k target is forecast to be achieved via a migration to personal budgets rather than direct taxi fares.
- Increase in planning fees – although this scheme is currently forecast to achieve, the remains risk in relation to future years due to the variation in planning applications received which is outside of the Council's control.

### **2024/25 Forecast Capital Outturn**

15. The Capital Programme is set on a three-year rolling basis and the programme for 2024/2025 to 2026/2027 was approved by Budget Council in February 2024, as follows:

2024/25	£146.928m
2025/26	£75.665m
2026/27	£21.701m

16. At the 16th July 2024 Cabinet meeting, a further £23.419m of slippage from 2023/24 was added to the 2024/25 programme, to increase the 2024/25 Capital Programme to £170.347m, with an overall borrowing requirement of £47.562m.
17. For Quarter 2, 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, due to more up to date information on delivery timeframes becoming available. The transfer of functions from Six Town Housing to the in-house Bury Housing

Services' team was completed in the summer of 2024. As part of the Quarter 2 review, particular attention was given to the impact of the re-organisation in the short and medium-term and the resources required to deliver the capital investment in housing agreed by Council in February. Project managers in other service areas such as Highways and Economic Regeneration noted that the Council's procurement policies had introduced additional rigour and controls to the letting of contracts, contract renewals, extensions and the granting of waivers which had created short-term delays for some projects planned for 2024/25.

18. At its previous meeting, Cabinet approved the reduction in the Council's planned capital expenditure in 2024/24 to produce a revised Capital Programme of £90.312m, a net reduction in planned spend of £80.035m compared to what was agreed in February 2024. As a result of the further in-year reviews conducted during Quarter 2, it is proposed that the 2024/25 Capital Programme be revised down to £85.339m, a further net reduction of £4.973m, as shown in the table below.

	Approved Programme FEB24 £m	Slippage from 2023/24 £m	Proposed In-Year Programme Updates £m	Revised Programme £m
<b>Capital Programme</b>				
Regeneration and Economic Growth	£51.786	£5.133	(£24.597)	£32.322
Open Spaces	£2.952	£0.732	(£1.895)	£1.788
Sports and Leisure	£1.773	£0.798	£0.805	£3.375
Operational Fleet	£0.000	£1.109	(£0.697)	£0.412
ICT and Digital	£0.000	£0.055	£0.720	£0.775
Highways	£30.963	£5.375	(£22.023)	£14.314
Children and Young People	£26.866	£6.654	(£26.066)	£7.454
Property	£3.148	£0.938	(£1.931)	£2.155
Older People and Disabled Facilities Grant	£0.128	£0.067	(£0.139)	£0.057
Housing GF	£6.107	(£0.251)	(£1.203)	£4.653
Climate Change	£0.123	£0.016	(£0.043)	£0.095
<b>GF EXPENDITURE TOTAL</b>	<b>£123.846</b>	<b>£20.625</b>	<b>(£77.070)</b>	<b>£67.401</b>
<b>HRA EXPENDITURE TOTAL</b>	<b>£23.082</b>	<b>£2.794</b>	<b>(£7.939)</b>	<b>£17.937</b>
<b>TOTAL COUNCIL EXPENDITURE</b>	<b>£146.928</b>	<b>£23.419</b>	<b>(£85.008)</b>	<b>£85.339</b>

19. In total this has the effect of reducing the Council's need to finance by borrowing for the 2024/25 programme from the original estimate of £44.209m to £26.408m based on planned expenditure. These adjustments have been used to update the Council's Medium-Term Financial Strategy. The need to borrow less than originally forecast will have an impact on future budget planning.
20. The table below shows expenditure of £23.173m (27%) of the revised programme £86.610m has been expended at 30 September 2024. Allowing for the further revision of a reduction in programme spending of £4.973m, no year-

end variances are anticipated by project managers at this stage of the financial year.

	2024/25	In-Year Performance			
	Revised Programme	Actual Spend at Quarter 2	Actual Spend at Quarter 2	Forecast Spend for Year at Quarter 2	Forecast (Under) / Over Spend
	£m	£m	%	£m	£m
<b>Capital Programme</b>					
Regeneration and Economic Growth	£32.322	£8.060	25%	£32.322	£0.000
Open Spaces	£1.788	£0.355	20%	£1.788	£0.000
Sports and Leisure	£3.375	£1.576	47%	£3.375	£0.000
Operational Fleet	£0.412	£0.014	3%	£0.412	£0.000
ICT and Digital	£0.775	£0.183	24%	£0.775	£0.000
Highways	£14.314	£4.729	33%	£14.314	£0.000
Children and Young People	£7.454	£2.383	32%	£7.454	£0.000
Property	£2.155	£0.368	17%	£2.155	£0.000
Older People and Disabled Facilities Grant	£0.057	£0.057	100%	£0.057	£0.000
Housing GF	£4.653	£1.206	26%	£4.653	£0.000
Climate Change	£0.095	£0.022	23%	£0.095	£0.000
<b>GF EXPENDITURE TOTAL</b>	<b>£67.401</b>	<b>£18.952</b>	<b>28%</b>	<b>£67.401</b>	<b>£0.000</b>
<b>HRA EXPENDITURE TOTAL</b>	<b>£17.937</b>	<b>£4.221</b>	<b>24%</b>	<b>£17.937</b>	<b>£0.000</b>
<b>TOTAL COUNCIL EXPENDITURE</b>	<b>£85.339</b>	<b>£23.173</b>	<b>27%</b>	<b>£85.339</b>	<b>£0.000</b>

<b>Financing the Capital Programme</b>					
Prudential Borrowing	£26.408			£26.408	£0.000
External Funding	£34.647			£34.647	£0.000
Capital Receipts	£4.532			£4.532	£0.000
General Fund RCCO	£1.814			£1.814	£0.000
<b>SUBTOTAL GF FINANCING</b>	<b>£67.401</b>			<b>£67.401</b>	<b>£0.000</b>
External Funding /Capital Receipts HRA	£0.000			£0.000	£0.000
Housing Revenue Account DRF/MRR	£17.937			£17.937	£0.000
<b>TOTAL FINANCING</b>	<b>£85.339</b>			<b>£85.339</b>	<b>£0.000</b>

21. The Council's Finance Team has met with project managers to discuss planned spending for the remainder of the year and the figures set out in the table represent the project managers' best forecast of expenditure to be achieved by the end of the financial year. Based on the views of project managers put forward at meetings with the Finance Team during October, it is anticipated that a further £62.166m will be spent between November 2024 and March 2025.

22. Given the nature of several schemes in the programme that necessitate further scrutiny on the level of spend that can be achieved during the current year, it is

envisaged further revisions to the capital programme will occur as they become known over the next three months and any additional amendments will be presented to Cabinet for approval in the Quarter 3 report and any impact of current year's forecasted expenditure will be reflected in future years' programmes.

### **2024/25 Forecast Collection Fund position**

23. The increasing prominence of council tax and business rates funding council services means that the collection fund is closely monitored on an ongoing basis. The current forecast position on the collection fund is an in-year surplus of £9.387m, with a residual deficit brought forward from 2023/24 of £5.466m. (This is the difference between the statutory estimated deficit as at 15<sup>th</sup> January 2023 and the outturn position.) This brings the overall forecast to a net surplus of £3.921m. The Council's share of the surplus is £3.291m and Greater Manchester Combined Authority's share is £0.193m (for police and fire and rescue services).
24. The proportionate shares for Business Rates and Council Tax mean that Greater Manchester Combined Authority have a 1% share of Business Rates and a 16% share of Council Tax, whereas the Council have a 99% share of the Business Rates and 84% share of Council Tax.
25. The main movements during the year which are resulting in a forecast surplus position of £3.921m (Bury share £3.291m) are shown below.

<b>2024/25 Surplus/(Deficit) on Collection Fund</b>	<b>Council Tax £m</b>	<b>NNDR £m</b>	<b>TOTAL £m</b>
<b>2023/24 Surplus/(Deficit) Balance b/f</b>	<b>£0.630</b>	<b>(£6.096)</b>	<b>(£5.466)</b>
<b>2024/25</b>			
Income	£134.588	£48.357	<b>£182.945</b>
<b>Contributions towards Previous Year's Deficit:</b>			
Bury MBC	£0.000	£5.361	<b>£5.361</b>
Police and Crime Commissioner	£0.000		<b>£0.000</b>
General Mayoral - Fire and Rescue Service	£0.000	£0.054	<b>£0.054</b>
<b>Total Income</b>	<b>£134.588</b>	<b>£53.772</b>	<b>£188.360</b>
<b>Precepts and Demands on Collection Fund:</b>			
Bury MBC	<b>(£110.199)</b>	<b>(£45.950)</b>	<b>(£156.149)</b>
Police and Crime Commissioner	<b>(£14.714)</b>		<b>(£14.714)</b>
General Mayoral - Fire and Rescue Service	<b>(£6.484)</b>	<b>(£0.464)</b>	<b>(£6.948)</b>
Disregards: Renewable Energy		£0.000	<b>£0.000</b>
Cost of Collection		<b>(£0.234)</b>	<b>(£0.234)</b>
Transitional Protection Payments		£0.380	<b>£0.380</b>
<b>Impairment of Debts/Appeals:</b>			
Write-offs of Uncollectable Amounts	<b>(£0.080)</b>	£0.006	<b>(£0.074)</b>
(Increase)/Decrease in the Allowance for Impairment of Arrears	£1.032	£0.299	<b>£1.331</b>
(Increase)/Decrease in the Allowance for Impairment of Appeals		<b>(£1.693)</b>	<b>(£1.693)</b>
<b>Contributions towards Previous Year's Surplus:</b>			
Bury MBC	<b>(£0.732)</b>	£0.000	<b>(£0.732)</b>

Police and Crime Commissioner	(£0.097)		(£0.097)
General Mayoral - Fire and Rescue Service	(£0.043)	£0.000	(£0.043)
<b>Total Expenditure</b>	<b>(£131.318)</b>	<b>(£47.656)</b>	<b>(£178.973)</b>
<b>2024/25 In-Year Surplus/(Deficit)</b>	<b>£3.270</b>	<b>£6.117</b>	<b>£9.387</b>
<b>Surplus/(Deficit) as at 31.03.2025</b>	<b>£3.900</b>	<b>£0.021</b>	<b>£3.921</b>

Share of the 2024/25 Surplus/(Deficit)	Council Tax	NNDR	TOTAL
	£m	£m	£m
Bury MBC	£3.271	£0.020	<b>£3.291</b>
Police and Crime Commissioner	£0.437		<b>£0.437</b>
General Mayoral - Fire and Rescue Service	£0.192	£0.000	<b>£0.193</b>
<b>Surplus/(Deficit) as at 31.03.2025</b>	<b>£3.900</b>	<b>£0.021</b>	<b>£3.921</b>

26. Work is taking place to reduce arrears for both Council Tax and Business Rates which will result in reduced requirements for allowance for impairment of debt. The performance for arrears reduction in the first two quarters is a 7.53% reduction for Council Tax and a 11.25% reduction for Business Rates.

27. Alongside improving collection of arrears, the aim is to improve the collection rate for in year debt. The trend of collection rates over the past 7 years can be seen below. It is important to note that collection was impacted during and in the period after the COVID pandemic due to the prevailing economic conditions.

Collection Rates	Council Tax	NNDR
	%	%
2024/25 Target collection rate	96.00	95.00
2023/24	95.25	93.88
2022/23	94.99	92.73
2021/22	95.77	93.73
2020/21	96.01	87.63
2019/20	96.39	95.37
2018/19	96.49	96.23
2017/18	96.62	96.04

28. Both the reduced arrears and improved forecast collection in year have resulted in a reduction in the required contribution to the allowance for impairment.

### **Housing Revenue Account position**

29. Work has been undertaken to draft a revised integrated HRA and Six Town Housing budget for which approval is sought. This revised budget has been used to report the quarter two forecast overspend of £606k in the table below.

HRA INCOME AND EXPENDITURE STATEMENT	2024/25 Original Budget (FEB24)	2024/25 Revised Budget (NOV24)	2024/25 Forecast Quarter 2	2024/25 Variance Quarter 2	
	£m	£m	£m	£m	%
<b>INCOME</b>					
Dwelling Rents	(£36.812)	(£36.812)	(£36.836)	(£0.024)	100.07%
Non-dwelling Rents	(£0.204)	(£0.204)	(£0.200)	£0.004	98.04%
Other Charges for Services and Facilities	(£1.242)	(£1.242)	(£1.028)	£0.214	82.77%
Contributions Towards Expenditure	(£0.040)	(£0.161)	(£0.161)	£0.000	100.00%
<b>Total Income</b>	<b>(£38.298)</b>	<b>(£38.419)</b>	<b>(£38.225)</b>	<b>£0.194</b>	<b>99.50%</b>
<b>EXPENDITURE</b>					
Repairs and Maintenance	£7.325	£8.160	£8.160	£0.000	100.00%
Supervision and Management	£8.422	£10.635	£10.821	£0.186	101.75%
Special Services	£1.622	£1.431	£1.395	(£0.036)	97.48%
Rents, Rates, Taxes, and Other Charges	£0.038	£0.038	£0.300	£0.262	789.47%
Depreciation of Non-Current Assets	£7.330	£7.330	£7.330	£0.000	100.00%
Debt Management Expenses	£0.045	£0.045	£0.045	£0.000	100.00%
Movement in Provision for Bad Debts	£0.525	£0.525	£0.525	£0.000	100.00%
<b>Total Expenditure</b>	<b>£25.307</b>	<b>£28.164</b>	<b>£28.576</b>	<b>£0.412</b>	<b>101.46%</b>
HRA Services' Share of Corporate and Democratic Core	£0.400	£0.400	£0.400	£0.000	100.00%
<b>Net Income or Expenditure of HRA Services</b>	<b>(£12.591)</b>	<b>(£9.855)</b>	<b>(£9.249)</b>	<b>£0.606</b>	<b>93.85%</b>
Interest Payable and Similar Charges	£4.466	£4.466	£4.466	£0.000	100.00%
Interest and investment income	(£0.433)	(£0.313)	(£0.313)	£0.000	100.00%
<b>(Surplus) or Deficit for the Year on HRA Services</b>	<b>(£8.558)</b>	<b>(£5.702)</b>	<b>(£5.096)</b>	<b>£0.606</b>	<b>89.37%</b>

APPROPRIATIONS					
Reversal of Depreciation	(£7.330)	(£7.330)	(£7.330)	£0.000	
Transfer to the Major Repairs Reserve	£7.330	£7.330	£7.330	£0.000	
Repayment of Arranged Loans	£0.204	£0.204	£0.204	£0.000	100.00%
Capital Expenditure Funded by the HRA	£12.631	£10.607	£10.607	£0.000	100.00%
<b>Total Appropriations</b>	<b>£12.835</b>	<b>£10.811</b>	<b>£10.811</b>	<b>£0.000</b>	<b>100.00%</b>
<b>Net (Increase) or Decrease on the HRA</b>	<b>£4.277</b>	<b>£5.109</b>	<b>£5.715</b>	<b>£0.606</b>	

30. The quarter two forecast is the first step in providing a forecast outturn position for the HRA following the integration of the Arm's Length Management Organisation (ALMO) and work is continuing to ensure a robust forecast and analysis.

The forecast overspend position will reduce the contribution to the HRA Reserve. Details of the significant variances include:

- Other Charges for services is forecasting an under-recovery of income of £214k, this shortfall mainly relates to Sheltered Services charges.
- Supervision and Management is forecasting an overspend of £186k due to additional consultancy and agency.

- Rents, Rates, Taxes and other charges has a one-off forecast overspend of £262k due to historic council tax costs for void properties. Further work is ongoing to determine any possible outstanding liabilities in this area.
- There is an underspend of £56k made up of individual variances below £100k.

31. The revised HRA Capital Programme including slippage from 2023/24 is £17.97m as detailed in the table below. The spend to date is at 23.53% of the revised capital programme, meetings with project managers are planned to further discuss the planned spending for the remainder of the year alongside any potential rephasing that may be required.

CAPITAL PROGRAMME	2024/25 Original Budget (FEB24)	2024/25 Revised Budget (NOV24)	2024/25 Actual Quarter 2	2024/25 Forecast Quarter 2	2024/25 Variance Quarter 2	2024/25 Variance Quarter 2
	£m	£m	£m	£m	£m	%
<b>CAPITAL EXPENDITURE</b>						
Major Works & Imps	£18.081	£13.527	£1.116	£13.527	£0.000	100.00%
Other Capital Spend	£0.000	£4.410	£3.105	£4.410	£0.000	100.00%
New Build Development Costs	£5.000	£0.000	£0.000	£0.000	£0.000	0.00%
Demolition Costs	£0.000	£0.000	£0.000	£0.000	£0.000	0.00%
Other Fixed Assets	£0.000	£0.000	£0.000	£0.000	£0.000	0.00%
<b>Total Capital Expenditure</b>	<b>£23.081</b>	<b>£17.937</b>	<b>£4.221</b>	<b>£17.937</b>	<b>£0.000</b>	<b>100.00%</b>
<b>CAPITAL FINANCING</b>						
Prudential Borrowing	£0.000	£0.000	£0.000	£0.000	£0.000	0.00%
External Funding	(£2.000)	£0.000	£0.000	£0.000	£0.000	0.00%
Capital Receipts	(£1.120)	£0.000	£0.000	£0.000	£0.000	0.00%
HRA Direct Revenue Financing	(£12.631)	(£10.607)	£0.000	(£10.607)	£0.000	100.00%
HRA Major Repairs Reserve	(£7.330)	(£7.330)	£0.000	(£7.330)	£0.000	100.00%
<b>Total Capital Financing</b>	<b>(£23.081)</b>	<b>(£17.937)</b>	<b>£0.000</b>	<b>(£17.937)</b>	<b>£0.000</b>	<b>100.00%</b>
<b>Total Capital Programme</b>	<b>£0.000</b>	<b>£0.000</b>	<b>£4.221</b>	<b>£0.000</b>	<b>£0.000</b>	

32. The HRA Reserve movements are detailed in the table below.

MOVEMENT on the HRA RESERVE	2024/25 Original Budget (FEB24)	2024/25 Revised Budget (NOV24)	2024/25 Forecast Quarter 2	2024/25 Variance Quarter 2
	£m	£m	£m	£m
<b>Balance on the HRA at the End of the Previous Reporting Period</b>	<b>(£10.393)</b>	<b>(£10.511)</b>	<b>(£10.511)</b>	<b>£0.000</b>
(Surplus) or Deficit for the Year on the HRA Income and Expenditure Statement	(£8.558)	(£5.702)	(£5.096)	£0.606
Appropriations	£12.835	£10.811	£10.811	£0.000

<b>Net (Increase) or Decrease before Transfers to or from Reserves</b>	<b>£4.277</b>	<b>£5.109</b>	<b>£5.715</b>	<b>£0.606</b>
Transfers to/(from) Earmarked Reserves	£0.000	£0.000	£0.000	£0.000
<b>(Increase) or Decrease in Year on the HRA</b>	<b>£4.277</b>	<b>£5.109</b>	<b>£5.715</b>	<b>£0.606</b>
<b>Balance on the HRA at the End of the Current Reporting Period</b>	<b>(£6.116)</b>	<b>(£5.402)</b>	<b>(£4.796)</b>	<b>£0.606</b>

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### Links with the Corporate Priorities:

33. 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.

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### Equality Impact and Considerations:

34. 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.
35. 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.

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### Environmental Impact and Considerations:

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

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### 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.

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**Legal Implications:**

37. This report is an updating report to Cabinet on the financial at the end of Quarter 2.

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**Financial Implications:**

38. The financial implications are set out within the Report.

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**Appendices:**

- Revised Corporate Plan Milestones

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**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](#)

[Budget Update Report](#)

[Quater 1 finance position](#)

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

Term	Meaning
MTFS	Medium Term Financial Strategy
DSG	Dedicated Schools Grant
DFE	Department for Education
HRA	Housing Revenue Account
HNB	High Needs Block

## Appendix One: Revised Corporate Plan Milestones

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Sustainable Inclusive Growth</b>	<ul style="list-style-type: none"> <li>Local Plan Reg. 18 notification, Call for Sites and Impact Assessment Scoping</li> <li>Spurr House - Disposal strategy agreed</li> <li>Seedfield, School St and Green St commence – c.300 houses/units</li> <li>Radcliffe Civic Hub - enabling works completed and main works commenced</li> </ul>	<ul style="list-style-type: none"> <li>William Kemp Heaton - 100% affordable housing scheme of 43 units including 18 specialist/supported units.</li> <li>Humphrey House – Procurement begins (c.65 Units)</li> <li>Willow St - Supported housing site (13 units) to commence on site</li> <li>Flexihall - Construction contract agreed; enabling works start</li> <li>Former police station site, Bury town centre, sale completion</li> <li>Spurr House – sale completion</li> </ul>	<ul style="list-style-type: none"> <li>Prestwich Phase 1 - travel hub construction begins</li> <li>Pyramid Park – Procurement phase complete</li> <li>Northern Gateway Supplementary Planning Documents Consultation</li> <li>Wheatfields completion - 30 affordable units</li> <li>Radcliffe library temporarily relocated</li> <li>Planning application for first phase Mill Gate</li> <li>Development strategy for the Elms – 24 affordable units</li> </ul>	<ul style="list-style-type: none"> <li>Fletcher Fold - Start on site – 43 affordable homes for older people</li> <li>Flexihall main works begin</li> <li>Radcliffe enterprise centre prep for handover &amp; all UKSPF funds spent</li> <li>Northern Gateway - Application submission (JPA1.1)</li> <li>Indoor market strategy approved</li> <li>First phase of Flexihall operator procurement completed</li> </ul>
<b>Improving Children's Lives</b>	<ul style="list-style-type: none"> <li>Review SEND Governance</li> <li>Updated Personal Education Plan (PEP) to strengthen Careers Information Advice and</li> </ul>	<ul style="list-style-type: none"> <li>Star academy in Radcliffe opens in temporary accommodation</li> </ul>	<ul style="list-style-type: none"> <li>Launch second Mockingbird constellation</li> <li>Family Safeguarding expansion &amp; Partnership Event</li> </ul>	<ul style="list-style-type: none"> <li>Chesham Family Hub opens</li> <li>Free Special School 2 – detailed design development undertaken by DfE</li> </ul>

	<p>Guidance (CIAG) and transition</p> <ul style="list-style-type: none"> <li>• Update Primary In Year Fair Access Protocol (YFAP) Panel &amp; policy</li> <li>• Production of Personal Independence Payment (PIP) &amp; establishment of SEND Improvement and Assurance Board (SIAB)</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Parenting Strategy refresh complete</li> <li>• Early Help Parent Offer in development</li> </ul>	<ul style="list-style-type: none"> <li>• Circles of Influence co-production event</li> <li>• Final Ofsted ILACS Monitoring Visit</li> <li>• SEND deep dive on preparation for adulthood</li> <li>• Department of Education SEND stocktake visit</li> <li>• Complete revision of the Local Offer and comms strategy</li> <li>• Delivery of Care Cubed into Children and Young People/Clinical Health Commissioning</li> </ul>	<ul style="list-style-type: none"> <li>• Free Special School 3 – feasibility study commissioned by DfE</li> <li>• Keeping Families together team launched</li> <li>• Early Help Offer re-launch</li> <li>• Create Attendance (CME &amp; EHE) Pledge / Strategy</li> </ul>
<p><b>Tackling Inequalities</b></p>	<ul style="list-style-type: none"> <li>• Confirmed funding for NCA to recruit additional health visiting capacity</li> <li>• Preparing For Adulthood (PFA) transition programme launched</li> <li>• Finalise of Bury population Health Strategy</li> <li>• My Happy Mind commence launch in Secondary Schools</li> </ul>	<ul style="list-style-type: none"> <li>• Skills strategy launched</li> <li>• Neighbourhood model update including Housing integration</li> <li>• Delivery of St Mary's Place for 18–25-year-olds</li> <li>• Sufficiency strategy</li> <li>• Updated allocations policy and housing protocol complete</li> <li>• Social value strategy complete</li> </ul>	<ul style="list-style-type: none"> <li>• Autism strategy approved</li> <li>• GM working well strategy implementation in Bury</li> <li>• Commence flu and COVID winter vaccination</li> <li>• Launch of Women's Health Hub initiative</li> <li>• Promotion of Healthy Workforce Charter delivered</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of peer networks - autistic adults and families/carers</li> <li>• NHS commissioning intentions and service delivery priorities for emotional wellbeing and mental health in place</li> <li>• Approval of Refurbished GP provision in Whitefield to replace Uplands</li> </ul>

	<ul style="list-style-type: none"> <li>• Additional CAMHS (Child and Adolescent Mental Health Services) capacity secured</li> <li>• Completion of Redbank Pavilion/3G</li> </ul>	<ul style="list-style-type: none"> <li>• Physical Activity strategy and implementation framework delivered</li> <li>• Revised Supporting Living Arrangements in Persona</li> <li>• Care Home Falls prevention project finalised.</li> <li>• Launch of Rapid Response Falls Service</li> </ul>	<ul style="list-style-type: none"> <li>• Physical Activity framework rolled out</li> <li>• Devise and roll out robust active travel plans</li> <li>• Localised drug, alcohol and smoking plans complete</li> <li>• Robust licensing matrix launched to inform decisions to reduce harm</li> <li>• Anti-poverty summit &amp; 24/25 strategy refresh</li> </ul>	<ul style="list-style-type: none"> <li>• Plan to improve school readiness in communities in place</li> <li>• Top Park 3G Pitch complete</li> <li>• Carers Strategy complete</li> <li>• Sensory Strategy complete</li> <li>• Extra care Strategy complete</li> </ul>
<b>Enablers</b>	<ul style="list-style-type: none"> <li>• Complete Adult Social Care (ASC) self-assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Health and Safety Strategy Agreed</li> <li>• Roadmap for integration of Housing services</li> </ul>	<ul style="list-style-type: none"> <li>• Co-production of LET'S do it! strategy refresh</li> <li>• Bury Art Museum Roof repair commences</li> <li>• New Inclusion Strategy and Equality Objectives Launched</li> <li>• MTFs updated and consultation on budget proposals begins</li> <li>• Communications strategy produced</li> </ul>	<ul style="list-style-type: none"> <li>• 25/26 budget set and MTFs updated</li> <li>• Relaunch of LET'S Do It! strategy and governance</li> <li>• Recommissioning of VCFSE local infrastructure</li> <li>• Communications strategy relaunch</li> <li>• Estate Rationalisation Strategy approved</li> <li>• Council Workforce strategy developed</li> </ul>

