

Report to:	Cabinet	Date: 05 March 2025
Subject:	2024-25 Q3 Finance Position	
Report of	Cabinet Member for Finance and Transformation	

Summary

1. To present to members the 2024/25 forecast revenue outturn position as at 31 December 2024.
2. To present to members the 2024/25 forecast savings position as at 31 December 2024.
3. To present to members the 2024/25 forecast capital outturn position as at 31 December 2024, noting the revised capital programme and the request for approval of adjustments to the capital programme of £6.165m.
4. To present to members the 2024/25 forecast Collection Fund position as at 31 December 2024.
5. To present to members the updated 2024/25 budget and forecast for the Housing Revenue Account (HRA) position as at 31 December 2024.

Recommendation(s)

6. Cabinet is asked to:
 - Note the 2024/25 forecast revenue outturn position as at 31 December 2024 of a £2.660m overspend (1.19%) against a net budget of £224.480m.
 - Note the 2024/25 forecast savings position as at 31 December 2024 of a forecast underachievement of £77k (-1.21%) 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 £79.174m which will form the basis for future in-year monitoring and reporting of performance.
 - Note the 2024/25 forecast Collection Fund Position as at 31 December 2024 of a surplus of £0.986m of which £0.786m relates to Bury's share.
 - Approve the revised Housing Revenue Account (HRA) budget of a £6.239m 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

Report Author and Contact Details:

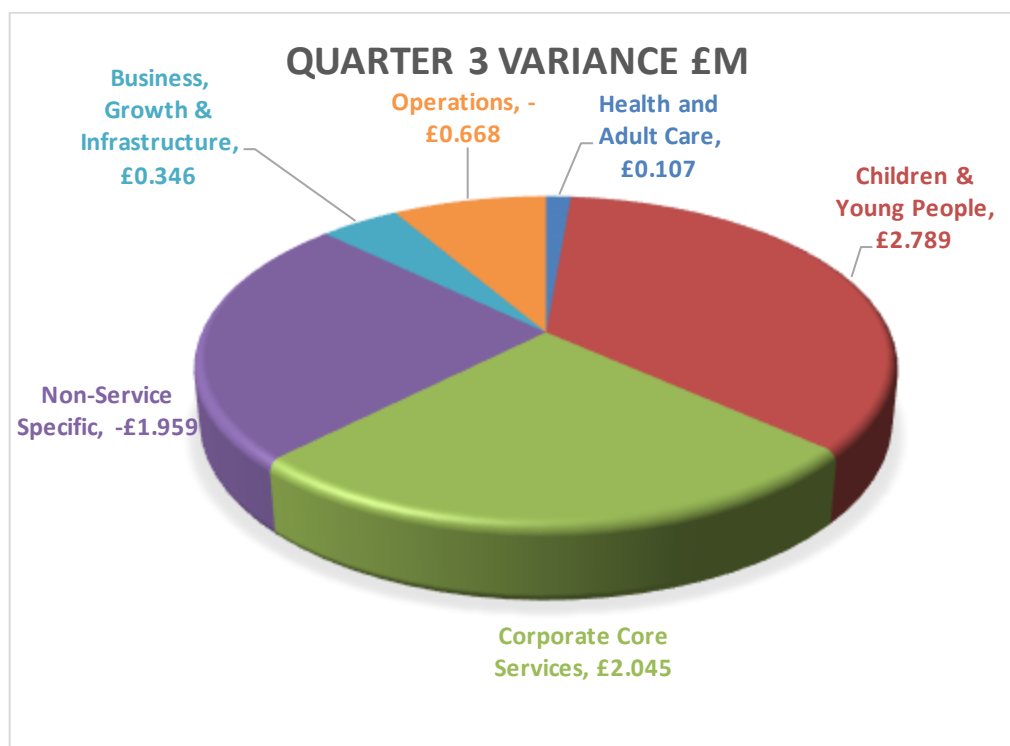
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Background

2024/25 Quarter 3 Forecast Outturn Position

10. The 2024/25 general fund revenue month 9 forecast outturn position shows an overspend of £2.660m which represents a variance of 1.19% compared to the overall net revenue budget of £224.480m, a reduction in the forecast overspend of £350k from the position at month 6 previously reported to Cabinet. The forecast is based on expenditure and activity levels at Quarter 3, 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 any overspend at year-end would become an additional call on reserves.

2024/25 Q3 Forecast Outturn	Revised Budget	Quarter 3 Forecast Outturn	Quarter 3 Forecast Variance	Quarter 2 Forecast Variance	Movement
	£m	£m	£m	£m	£m
<u>Directorate:</u>					
Health and Adult Care	£87.091	£87.198	£0.107	£0.937	(£0.830)
Children & Young People	£57.523	£60.312	£2.789	£2.924	(£0.135)
Corporate Core Services	£28.100	£30.144	£2.044	£1.460	£0.584
Non-Service Specific	£32.819	£30.860	(£1.959)	(£1.535)	(£0.424)
Business, Growth & Infrastructure	£0.580	£0.927	£0.347	£0.063	£0.284
Operations	£18.446	£17.778	(£0.668)	(£0.839)	£0.171
Housing General Fund	(£0.079)	(£0.079)	£0.000	£0.000	£0.000
NET REVENUE BUDGET	£224.480	£227.140	£2.660	£3.011	(£0.350)
<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
FUNDING	(£211.331)	(£211.331)	£0.000	£0.000	£0.000
<u>Use of Reserves:</u>					
Budget Stabilisation Reserve	(£13.149)	(£13.149)	£0.000	£0.000	£0.000
USE OF RESERVES	(£13.149)	(£13.149)	£0.000	£0.000	£0.000
BUDGET POSITION	£0.000	£2.660	£2.660	£3.011	(£0.350)



12. Details of the significant variances include:

Health and Adult Care:

The 2024/25 Health and Adult Care (HAC) Directorate budget is forecast to overspend by £107k at Quarter 2 which is a £830k improvement on the position reported at Quarter 2.

- The Adult Social Care Operations budget is forecast to underspend by £604k (7%) which is a £187k increase on the underspend reported at Quarter 2. The increase in the underspend is due to revised staffing budget forecasts to reflect staff vacancies within operational staffing budgets. 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 Care in the Community budget is forecast to overspend by £1.110m (2%) which is a £612k improvement on the forecast reported at Quarter 2. The improved position reflects the success of operational teams managing demand and maintaining rigour and control of care package activity.

The main drivers of the £1.110m overspend are:

- Withdrawal of Continuing Healthcare Funding (CHC) Funding
- Increase of Section 117 Aftercare Packages
Note: Section 117 of the Mental Health Act 1983 places a joint duty on local NHS and adult social services commissioners to provide free aftercare services for people that have previously been sectioned under the treatment sections of the Mental Health Act
- Exhaustion of Self Funder financial resource
- New Demand
- Increases to existing Care packages
- The Commissioning and Procurement budget is forecast to overspend by £221k (1%) which is largely in line with the overspend reported at Quarter 2. The main driver of the £221k 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 Departmental Support Services budget is forecast to underspend by £395k which is £48k increase on the underspend reported at Quarter 2. The increase in the underspend is due to relates to a revised staffing budget forecast to reflect delays in filling vacancies within the Senior Management and Adult Social Care Financial Support Service.
- The Public Health budget is forecast to underspend by £225k, which is largely in line with the underspend reported at Quarter 2. The main drivers of the Public Health underspend are one off contractual underspends and staff vacancies within the Public Health team.

- The 2024/25 HAC saving programme is £4.285m. As at quarter 3 £4.064m (95%) of savings have been delivered. The current HAC savings delivery forecast projects a total saving delivery of £4.597m which is an overachievement of £312k. 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 £2.789m overall, a minor favourable movement of £135k from the reported position at quarter 2.

- The Education & Inclusion division is forecast to overspend by £720k, a minor worsening of £3k from the reported quarter 2 position. Home to School Transport is forecast to overspend by £749k (20.55%). Of this, £474k relates to increased demand arising from additional approved EHCP's; £245k relates to underachieved savings target (withdrawal of non- statutory transport) due to the delayed implementation date of September 2025 and £30k underachieved target relating to increased use of personal budgets. An Early Years cost that can no longer be charged to the Dedicated Schools Grant has been addressed in the MTFS for 2025/26 has resulted in a current year overspend of £240k (100%) and finally an overspend of £94k (9.1%) on Early Retirements. These overspends are offset by vacancy savings totalling £363k (5.2%)
- The Safeguarding and Social Care service is forecast to overspend by £2.422m overall; a minor improvement of £11k from the reported quarter 2 position. Within this is an overspend of £4.274m (26.3%) in relation to external placements, due to seven being above the budget. Nine of these five (net) placements are in the most expensive placements resulting in the budget pressure. This is offset by underspends totalling £1.852m made up of £521k in additional grant income (123%), internal placements £353k (7.35%), a ceased project £115k (100%), personal budgets £374k (14.3%) and £489k (5.1%) relating to staff vacancies. The additional agency budget of £1.4m has been re-aligned to the SEND Improvement Programme to ensure funds are in the correct place.
- There is an underspend of £355k (12%) across Children's Commissioning and Management costs mainly as a result of staff vacancies.
- 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 costs within 2024/25 are included in the overall staffing variances and have been built into the MTFS from 2025/26 onwards.

Corporate Core Services

The 2024/25 Corporate Core Services Directorate budget is forecast to overspend by £2.044m (7.28%) at quarter 3, which is a worsening of £0.584m when compared to that reported in Quarter 2.

- The forecast overspend in Finance is £696k (6.53%), a worsening of £142k from the reported quarter 2 position of £554k. The main drivers for the overspend are due to a reforecast of external audit fees of £229k; (the PSAA (Public Sector Audit Appointments) is undergoing an assessment of fee variation proposals in light of the national position of audit backlogs and disclaimed audit opinions and the final fee variations are yet to be determined); under recovery of educational buy back due to the academisation of schools; and external agency staff to cover key roles within services such as in CYP, Operations and Corporate Core, Corporate Finance and Revenues and Benefits.
- Housing Needs and Options is forecast to overspend by £1.294m (229.11%), a worsening of £251k from the reported position at quarter 2. The movement in the forecast position is primarily due to an increase in the forecast cost of overnight accommodation of £374k offset slightly by grant underspends no longer being earmarked for reserves. The overall overspend relates to overnight accommodation now totalling £1.557m and rents £127k, offset by forecast contributions from reserves of £432k and overachievement of £99k in housing benefit, rental and service charge income. There is a net overspend of £141k made up of a number of small individual variances below £100k.
- Legal & Democratic Services is forecast to underspend by £477k an improvement of £90k from that reported in Quarter 2.
 - Elections and Governance (£28k underspend) is forecasting a reduction in underspend of £73k from the £101k reported at quarter 2 primarily due to unfunded Parliamentary Election costs of £64k.
 - Democratic services is forecasting a £373k underspend in comparison to the £166k underspend at Quarter 2. Variance is mainly due to underspending on member allowances £99k and staffing vacancies of £380k offset by non-staffing/contract pressures and other small variances.
 - Legal services are forecasting an overspend at Quarter 3 of £59k (3.46%) in comparison to a £25k underspend at Quarter 2. This is due to interim staff covering vacancies of net £292k offset by increased income from land and property fees of £257k.
 - A £102k forecast underspend in Coroners is a favourable movement from the £60k reported at quarter 2 due to a review of costs from Rochdale Coroners Court. This will be monitored closely due to the prospect of uncontrollable costs causing material variances.
- The Quarter 3 forecast overspend £468k (6.46%) for Corporate Core Executive Director is a worsening of £212k from that reported in Quarter 2 due to:
 - A review of infrastructure and support contracts (systems moving from onsite to the Cloud) £893k (70.45%). This has worsened by £356k from the position reported at quarter 2 due to a further increase in costs that could previously have been capitalised.
 - This is offset by £326k staffing variances: Digital Data & Technology services (formerly ICT), £132k (4.88%) vacancies, Emergency control £18k vacancies and recharges to Health and Care from within Performance and Intelligence of £176k.
 - Additional one-off income of £63k within Emergency Response & Resilience.
 - Performance and Intelligence are also adversely affected by the reduction in schools buy back of £30k.

- The projected overspend within People & Inclusion Services is £102k (3.73%) at Quarter 3, an adverse movement of £94k from that reported in Quarter 2 due to an increased forecast on projected establishment costs of £56k and an under-recovery within educational buy-back due to academisation of £52k.

Non-Service Specific:

The 2024/25 Non-Service Specific Directorate budget is forecast to underspend by £1.959m at Quarter 3 which is a £424k improvement on the position reported at Quarter 2.

- The Corporate Management budget is forecast to underspend by £31k which is a £122k decrease on the overspend reported at Quarter 2. The underspend is due to a realignment of budgets between Quarter 2 and Quarter 3.
- The Cost of Borrowing budget is forecast to underspend by £2.041m which is a £473k improvement on the forecast underspend reported at Quarter 2. The improved position is a combination of a reduction in borrowing costs due to the re-phasing of the Capital Programme into future years alongside an increase in investment income.
- The GMWDA budget is forecast to underspend by £392k, an improvement from a nil variance at Quarter 2 due to a return of waste levy reserves.
- The Bury Markets Roof RAAC issues are forecast to be overspent by £504k at Quarter 3, an increase of £73k from Quarter 2.

Business Growth and Infrastructure:

The 24/25 quarter 3 BGI budget is forecast to overspend by £347k (59.6%), a worsening of £284k from the reported position at quarter 2.

- Of this overspend the main variances are; £209k (inclusive of £150k income target related to planning fees) in Development Management due to forecasted income slipping into 2025/26; land and property (£150k) mainly due to increased utility prices across both industrial and general lettings which is exacerbated by a leak and untenanted properties within the MET; and a reduction in fee income (£142k) in building control. The overspends are slightly offset by vacancies in other areas totalling £143k and other minor variances.

Operations

The 2024/25 Operations Services Directorate budget are forecasting a £668k (3.62%) underspend at Quarter 3, an adverse movement of £171k from the £839k underspend reported at Quarter 2. Across the directorate, vacancy factor savings of £487k are forecasting to be achieved alongside a favourable variation on overall energy forecasts of £740k.

- Commercial Services has forecast a £99k (10.9%) overspend, in contrast to an on-budget forecast in quarter 2. The main driver of the change relates to the Catering Service forecasting an overspend of £79k due to a drop in meal numbers and historical rates bills for the CPU unit.

Within this forecast is a net loss of £490k, due a forecast underachievement of income within Markets, specifically within the Market Hall £686k (25.75%) offset by underspends on Markets staff costs (£68k) and £128k of non-payroll related

expenditure. These costs are being funded from reserves and as such, are not impacting on the overall forecast position.

- Facilities Management is forecast to underspend by £57k (1.77%) in quarter 3, a £516k worsening of the position reported at quarter 2. The main drivers of this change are Architects forecasting a change in under recovery of employee costs recharged to capital of £466k (underachievement now forecast to be £278k for the year) and Admin Buildings forecasting to underachieve property rents changed by £95k. The overall underachievement of property rental income is £250k for the year.
- Street Scene Maintenance are forecasting to underspend at Quarter 3 by £277k (5.12%), an adverse movement of £39k from that reported in Quarter 2. £239k of the overall underspend is within the Street Lighting function, due to a combination of reduced energy prices and efficiency savings due to the introduction of LED upgrades.
- The Wellness Service is forecasting an underspend position at Quarter 3 of £207k (8.91%), a favourable movement of £408k from that reported at Quarter 2 due to a 'deep-dive' exercise in Leisure services resulting in a revised income forecast £239k and establishment savings £86k. The overall forecasted underspend in Leisure Facilities; mainly due to establishment savings is £216k with other minor variances less than £100k.
- Waste, Transport and Stores has a forecast underspend position at Quarter 3 of £122k (2.05%) an improvement of £173k from the reported Quarter 2 position mainly due to £77k additional income, £113k additional reserves usage and £81k non payroll underspends. The main drivers for the change being the use of reserves (£60k) in Waste to cover salary and fly tipping costs; revised forecasts in Transport resulting in a favourable movement of £99k; and other minor variances less than £100k. There is due to be a review of the transport budgets within quarter 4.

Savings position

13. 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 six schemes which are complete totalling £2.200m, one scheme which is currently rated amber with a forecast underachievement of £275k, with one scheme currently rated red at £150k underachievement. The targets which are categorised green totalling (£3,650m) are currently forecast to over-achieve by (£298k).

Savings Proposal	Directorate	RAG Rating	24/25 Savings Target (£000s)	Quarter 2 Variance (£000s)	Quarter 3 Achieved to date (£000s)	Quarter 3 Forecast Outturn (£000s)	Quarter 3 Variance (£000s)
Review of Working Age Adults' Costs Against a Robust National Toolkit	HAC	G	(£700)	(£250)	(£678)	(£837)	(£137)
Development of Wider Learning Disabilities Strategy for Age 14-25 Cohort	HAC	G	(£180)	(£65)	(£174)	(£215)	(£35)
Residents Transitioning to Alternative Packages	HAC	G	(£375)	(£135)	(£363)	(£448)	(£73)
Enforce S22 of Care Act	HAC	G	(£336)	(£120)	(£325)	(£402)	(£66)
Reduce Public Health Staffing	HAC	C	(£33)	£0	(£33)	(£33)	£0
Consolidation of Community Bed Capacity	HAC	C	(£1,627)	£0	(£1,627)	(£1,627)	£0
Support at Home Budget - part of £500k HRA element - service ended	HAC	C	(£150)	£0	(£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)	£0	(£513)	(£684)	£0
Remove Bad Debt Provision - realignment	HAC	C	(£200)	£0	(£200)	(£200)	£0
Children's Short Breaks & Personal Budgets	CYP	G	(£100)	£0	(£50)	(£100)	£0
SEND Transport	CYP	A	(£345)	£275	£0	(£70)	£275
Direct Payment Audits	CYP	C	(£100)	(£50)	(£126)	(£150)	(£50)
Capitalisation of Salaries through Capital Receipts	BGI	G	(£150)	£0	£0	(£150)	£0
Increase in Planning Fees	BGI	R	(£150)	£0	£0	£0	£150
Additional '3 days unpaid leave' Income	NSS/CCS	C	(£90)	£0	(£90)	(£90)	£0
Integration of Housing Services	NSS/CCS	G	(£1,000)	£0	£0	(£1,000)	£0
Additional Workforce Savings	NSS/CCS	G	(£25)	£13	£0	(£12)	£13
Service Reviews within the Corporate Core - Incl capitalisation of salaries 25/26	CCS	G	(£100)	£0	£0	(£100)	£0
TOTAL SAVINGS PROPOSALS FEBRUARY 2024			(£6,345)	(£332)	(£4,329)	(£6,268)	£77

- 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 – several major planning applications, including in relation to the Northern Gateway project which were originally expected to take place in 2024/25 are now expected within 2025/26. The market is currently fairly stagnant due to the uncertainties caused by the change in government and higher interest rates, however there are a number of large projects in the pipeline and proposed changes to planning legislation which should mean that we can achieve higher fees in 2025/26 and beyond.

2024/25 Forecast Capital Outturn

14. The Capital Programme is set on a three-year rolling basis and the programme for 2024/25 to 2026/27 was approved by Budget Council in February 2024, as follows:

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

15. 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.

16. For Quarter 3, 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.

17. At its previous meeting, Cabinet approved the reduction in the Council's planned capital expenditure in 2024/25 to produce a revised Capital Programme of £85.339m, a net reduction in planned spend of £85.008m compared to what was agreed in February 2024 and Outturn 2023/24. As a result of the further in-year reviews conducted during Quarter 3, it is proposed that the 2024/25 Capital Programme be revised down to £79.174m, a further net reduction of £6.165m, as shown in the table below.

	Approved Programme FEB24	Slippage from 2023/24	Proposed In-Year Programme Updates	Revised Programme
	£m	£m	£m	£m
Capital Programme				
Regeneration and Economic Growth	£51.786	£5.133	(£21.458)	£35.461
Open Spaces	£2.952	£0.732	(£2.108)	£1.576
Sports and Leisure	£1.773	£0.798	£0.674	£3.245
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	(£22.569)	£13.769
Children and Young People	£26.866	£6.654	(£26.019)	£7.501
Property	£3.148	£0.938	(£2.919)	£1.168
Older People	£0.128	£0.067	(£0.139)	£0.057
Housing GF and Disabled Facilities Grant	£6.107	(£0.251)	(£1.203)	£4.653
Climate Change	£0.123	£0.016	(£0.043)	£0.095
Approved in Principle schemes reprofiled to 2025/26 delivery			(£7.194)	(£7.194)
GF EXPENDITURE TOTAL	£123.846	£20.625	(£82.955)	£61.517
HRA EXPENDITURE TOTAL	£23.082	£2.794	(£8.219)	£17.657
TOTAL COUNCIL EXPENDITURE	£146.928	£23.419	(£91.174)	£79.174

18. 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 £47.562m to £28.660m which is 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.
19. Details of Approved in Principle schemes deferred for delivery in 2025/26, after further evaluation and detailed plans are produced, can be found in the Capital Strategy 2025/26 to 2027/28 document.
20. The table below shows expenditure of £38.620m (49%) of the revised programme of £79.174m has been expended at 31 December 2024. Although at Quarter 3 no year-end variances are anticipated by project managers, some slippage at year end is a normal feature of the capital programme and a final figure will be established and reported to Cabinet at the Outturn stage of the financial year.

	2024/25	In-Year Performance			
	Revised Programme	Actual Spend at Quarter 3	Actual Spend at Quarter 3	Forecast Spend for Year at Quarter 3	Forecast (Under) / Over Spend
	£m	£m	%	£m	£m
Capital Programme					
Regeneration and Economic Growth	£35.461	£14.892	42%	£35.431	(£0.030)
Open Spaces	£1.576	£0.577	37%	£1.603	£0.027
Sports and Leisure	£3.245	£1.944	60%	£3.202	(£0.043)
Operational Fleet	£0.412	£0.302	73%	£0.412	£0.000
ICT and Digital	£0.775	£0.777	100%	£0.777	£0.003
Highways	£13.769	£7.588	55%	£13.769	£0.000
Children and Young People	£7.501	£3.266	44%	£7.488	(£0.013)
Property	£1.168	£0.463	40%	£0.865	(£0.121)
Older People and Disabled Facilities Grant	£0.057	£0.057	100%	£0.057	£0.000
Housing GF	£4.653	£1.740	37%	£4.829	£0.176
Climate Change	£0.095	£0.041	43%	£0.095	£0.000
Approved in Principle schemes to 2025/26	(7.194)			(£7.194)	
GF EXPENDITURE TOTAL	£61.517	£31.646	51%	£61.517	£0.000
HRA EXPENDITURE TOTAL	£17.657	£6.975	39%	£17.657	£0.000
TOTAL COUNCIL EXPENDITURE	£79.174	£38.620	49%	£79.174	£0.000

Financing the Capital Programme					
Prudential Borrowing	£24.741			£24.741	£0.000
External Funding	£33.912			£33.912	£0.000
Capital Receipts	£2.306			£2.306	£0.000
General Fund RCCO	£0.558			£0.558	£0.000
SUBTOTAL GF FINANCING	£61.517			£61.517	£0.000
Prudential Borrowing	£3.919			£3.919	£0.000
External Funding	£3.285			£3.285	£0.000
Capital Receipts	£3.123			£3.123	£0.000
Housing Revenue Account DRF/MRR	£7.330			£7.330	£0.000
TOTAL FINANCING	£79.174			£79.174	£0.000

21. 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.
22. The Council's Finance Team will continue to meet with project managers to establish expected spending for the remainder of the year. Based on project managers' views at December date it is anticipated that a further £40m will be spent by the end of March 2025.
23. The nature of capital expenditure, dependent of many factors outside Council's control, cumulated with several large, complex schemes in the programme will necessitate further scrutiny on the level of spend that can be achieved during the current year, with further revisions expected by year-end.
24. Any additional amendments will be presented to Cabinet for approval in the Outturn report and any impact of current year's achieved versus forecasted expenditure will be reflected in future years' programmes.

2024/25 Forecast Collection Fund position

25. 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 £6.452m, with a residual deficit brought forward from 2023/24 of £5.466m. (This is the difference between the statutory estimated deficit as at 15 January 2023 and the outturn position.) This brings the overall forecast to a net surplus of £986k. The Council's share of the surplus is £786k and Greater Manchester Combined Authority's share is £141k (for police and fire and rescue services).
26. 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.
27. The main movements during the year which are resulting in a forecast surplus position of £986k (Bury share £786k) are shown below.

2024/25 Surplus/(Deficit) on Collection Fund	Council Tax £m	NNDR £m	TOTAL £m
2023/24 Surplus/(Deficit) Balance b/f	£0.630	(£6.096)	(£5.466)
2024/25			
Income	£134.574	£47.492	£182.066
Contributions towards Previous Year's Deficit:			
Bury MBC	£0.000	£5.361	£5.361
Police and Crime Commissioner	£0.000		£0.000
General Mayoral - Fire and Rescue Service	£0.000	£0.054	£0.054
Total Income	£134.574	£52.908	£187.482
Precepts and Demands on Collection Fund:			
Bury MBC	(£110.199)	(£45.950)	(£156.149)
Police and Crime Commissioner	(£14.714)		(£14.714)
General Mayoral - Fire and Rescue Service	(£6.484)	(£0.464)	(£6.948)
Disregards: Renewable Energy		£0.000	£0.000
Cost of Collection		(£0.234)	(£0.234)
Transitional Protection Payments		£1.058	£1.058
Impairment of Debts/ Appeals:			
Write-offs of Uncollectable Amounts	(£0.078)	£0.036	(£0.042)
Increase/(Decrease) in the Allowance for Impairment of Arrears	(£1.599)	£0.136	(£1.463)
Increase/(Decrease) in the Allowance for Impairment of Appeals		(£1.666)	(£1.666)
Contributions towards Previous Year's Surplus:			
Bury MBC	(£0.732)	£0.000	(£0.732)
Police and Crime Commissioner	(£0.097)		(£0.097)
General Mayoral - Fire and Rescue Service	(£0.043)	£0.000	(£0.043)
Total Expenditure	(£133.947)	(£47.083)	(£181.030)
2024/25 In-Year Surplus/(Deficit)	£0.627	£5.825	£6.452
Surplus/(Deficit) as at 31.03.2025	£1.257	(£0.271)	£0.986

Share of the 2024/25 Surplus/(Deficit)	Council Tax £m	NNDR £m	TOTAL £m
Bury MBC	£1.054	(£0.268)	£0.786
Police and Crime Commissioner	£0.141		£0.141
General Mayoral - Fire and Rescue Service	£0.062	(£0.003)	£0.059
Surplus/(Deficit) as at 31.03.2025	£1.257	(£0.271)	£0.986

28. 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 three quarters is a 9.55% reduction for Council Tax and a 14.35% reduction for Business Rates.

29. 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

30. 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

31. Following the approval of the integrated HRA and Six Town Housing budget at Quarter 2, significant work has continued to ensure robust analysis and forecasting. Approval is therefore being sought to support the decision not to use revenue funding for the 24/25 capital programme. This is due to uncertainties surrounding the various consultations on Right to Buy sales arising from the change in Government policy; the cost of achieving and reporting upon the Consumer Standard and the Decent Homes Standard.

32. The favourable adjustment to the budget of £11.010m is largely made up of the removal of £10.607m contribution to the capital programme and a revision of interest and investment income to £800k from a quarter 2 budget of £313k.

33. The table below demonstrates the adjustments.

HRA INCOME AND EXPENDITURE STATEMENT	2024/25 Original Budget (FEB24)	2024/25 Revised Budget (NOV24)	2024/25 Revised Budget Q3	2024/25 Forecast (Q03)		
	£m	£m	£m	£m	£m	%
INCOME						
Dwelling Rents	(£36.812)	(£36.812)	(£36.758)	(£36.758)	(£0.000)	100.00%
Non-dwelling Rents	(£0.204)	(£0.204)	(£0.204)	(£0.220)	(£0.017)	108.25%
Other Charges for Services and Facilities	(£1.242)	(£1.242)	(£1.242)	(£1.057)	£0.186	85.06%
Contributions Towards Expenditure	(£0.040)	(£0.161)	(£0.208)	(£0.206)	£0.002	99.06%
Total Income	(£38.298)	(£38.419)	(£38.413)	(£38.242)	£0.171	99.56%
EXPENDITURE						
Repairs and Maintenance	£7.325	£8.160	£8.073	£8.854	£0.781	109.68%
Supervision and Management	£8.422	£10.635	£10.632	£10.678	£0.046	100.43%
Special Services	£1.622	£1.431	£1.431	£1.565	£0.134	109.36%
Rents, Rates, Taxes, and Other Charges	£0.038	£0.038	£0.038	£0.200	£0.162	527.70%
Depreciation of Non-Current Assets	£7.330	£7.330	£7.330	£7.330	£0.000	100.00%
Debt Management Expenses	£0.045	£0.045	£0.045	£0.045	£0.000	100.00%
Movement in Provision for Bad Debts	£0.525	£0.525	£0.525	£0.525	£0.000	100.00%
Total Expenditure	£25.307	£28.164	£28.074	£29.197	£1.123	104.00%
HRA Services' Share of Corporate and Democratic Core	£0.400	£0.400	£0.400	£0.400	£0.000	100.00%
Net Income or Expenditure of HRA Services	(£12.591)	(£9.855)	(£9.939)	(£8.645)	£1.294	86.98%
Interest Payable and Similar Charges	£4.466	£4.466	£4.500	£4.500	£0.000	100.00%
Interest and investment income	(£0.433)	(£0.313)	(£0.800)	(£0.800)	£0.000	100.00%
(Surplus) or Deficit for the Year on HRA Services	(£8.558)	(£5.702)	(£6.239)	(£4.945)	£1.294	79.26%

APPROPRIATIONS						
Reversal of Depreciation	(£7.330)	(£7.330)	(£7.330)	(£7.330)	£0.000	
Transfer to the Major Repairs Reserve	£7.330	£7.330	£7.330	£7.330	£0.000	
Repayment of Arranged Loans	£0.204	£0.204	£0.204	£0.204	£0.000	100.00%
Capital Expenditure Funded by the HRA	£12.631	£10.607	£0.000	£0.000	£0.000	0.00%

Total Appropriations	£12.835	£10.811	£0.204	£0.204	£0.000	100.00%
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34. This revised budget has been used to report the quarter 3 forecast overspend of £1.294m, which is a significant increase of £688k on the position reported at quarter 2.

35. 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 £285k; a reduction of £29k from quarter 2. This shortfall mainly relates to Sheltered Services charges.
- Repairs and Maintenance forecasted to budget in quarter 2 pending a full review of the data. The adjusted position at Q3 is a worsening of £781k. This overspend is made up of £400k relating to Interim costs resulting from the inability to recruit on a permanent basis into the vacant posts, £234k on legal costs and £143k underachievement of income in the Income Generating section.
- Supervision and Management is forecasting an overspend of £46k which is a favourable movement of £140k from the reported quarter 2 position due to vacancies partially offsetting consultancy and agency costs.
- Special Services are forecasting an overspend of £133k due to Extra Care recharges not accrued in 23/24.
- Rents, Rates, Taxes and other charges has a one-off forecast overspend of £162k due to historic council tax costs for void properties which is a favourable movement of £100k from quarter 2. Further work is ongoing to determine any possible outstanding liabilities in this area and mitigate further costs by identifying potential alternative usage for the void properties.
- There is an underspend of £17k made up of individual variances below £100k.

36. The revised HRA Capital Programme including slippage from 2023/24 is £17.657m as detailed in the table below. The spend to date is at 39% of the revised capital programme and further meetings with project managers are planned to discuss the remaining spending for the year together with any potential slippage into 2025/26.

CAPITAL PROGRAMME	2024/25 Original Budget (FEB24)	2024/25 Revised Budget (DEC24)	2024/25 Actual Quarter 3	2024/25 Forecast Quarter 3	2024/25 Variance Quarter 3	2024/25 Variance Quarter 3
	£m	£m	£m	£m	£m	%
CAPITAL EXPENDITURE						
Major Works & Imps	£18.081	£13.819	£5.953	£13.819	£0.000	0.00%
Carbon reduction schemes	£0.000	£3.062	£0.895	£3.062	£0.000	0.00%
Disabled Facilities Adaptations	£0.000	£0.776	£0.127	£0.776	£0.000	0.00%
New Build Development Costs	£5.000	£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%
Total Capital Expenditure	£23.081	£17.657	£6.975	£17.657	£0.000	100.00%
CAPITAL FINANCING						
Prudential Borrowing	£0.000	(£3.919)	£0.000	(£3.919)	£0.000	0.00%
External Funding	(£2.000)	(£3.285)	£0.000	(£3.285)	£0.000	0.00%
Capital Receipts	(£1.120)	(£3.123)	£0.000	(£3.123)	£0.000	0.00%
HRA Direct Revenue Financing	(£12.631)	£0.000	£0.000	£0.000	£0.000	0.00%
HRA Major Repairs Reserve	(£7.330)	(£7.330)	(£6.975)	(£7.330)	£0.000	0.00%
Total Capital Financing	(£23.081)	(£17.657)	(£6.975)	(£17.657)	£0.000	0.00%

Total Capital Programme	£0.000	£0.000	£0.000	£0.000	£0.000	
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37. 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 Revised Budget Q3	2024/25 Forecast (Q03)	
	£m	£m	£m	£m	£m
Balance on the HRA at the End of the Previous Reporting Period	(£10.393)	(£10.511)	(£10.511)	(£10.511)	£0.000
(Surplus) or Deficit for the Year on the HRA Income and Expenditure Statement	(£8.558)	(£5.702)	(£6.239)	(£4.945)	£1.294
Appropriations	£12.835	£10.811	£0.204	£0.204	£0.000
Net (Increase) or Decrease before Transfers to or from Reserves	£4.277	£5.109	(£6.035)	(£4.741)	£1.294
Transfers to/(from) Earmarked Reserves	£0.000	£0.000	£0.000	£0.000	£0.000
(Increase) or Decrease in Year on the HRA	£4.277	£5.109	(£6.035)	(£4.741)	£1.294
Balance on the HRA at the End of the Current Reporting Period	(£6.116)	(£5.402)	(£16.546)	(£15.252)	£1.294

Links with the Corporate Priorities:

38. 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:

39. 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.
40. 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.

Environmental Impact and Considerations:

41. 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:

42. This report is an updating report to Cabinet on the financial position at the end of Quarter 3.

Financial Implications:

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

Appendices

Revised Corporate Plan Milestones**Background papers:**

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

[Budget Update Report](#)

[Quarter 2 Finance Position](#)

[The Council's Revenue Budget and Medium-Term Financial Plan 2025/26](#)

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
NNDR	National Non-Domestic Rates

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