

Report to:	Cabinet	Date: 16 July 2024
Subject:	Finance Update Report – 2024/25 Outturn Position	
Report of	Cabinet Member for Finance and Transformation	

Summary

This report provides an update to Cabinet on the council's final outturn position across the General Fund revenue and capital budgets, Housing Revenue Account (HRA) and DSG (Dedicated Schools Grant).

The 2024/25 General Fund outturn position is an overspend of £4.365m, which represents 1.94% of the net revenue budget. This compares to the last report to Cabinet at Quarter 3 which forecast an overspend of £2.660m. There have been fluctuations to forecasts since Quarter 3, which are outlined in the body of the report. The 2024/25 budget contained approved savings to be delivered totalling £6.354m, of which £5.957m (93.88%) has been delivered. Those savings not achieved in this financial year will be delivered in 2025/26.

The increase in the overspend has directly impacted on reserves and the budget stabilisation reserve is no longer sufficient to support the forecast funding gap past 2026/27, however, work continues on the zero-based budget review of all services to identify budget proposals which will reduce the funding gap and reliance on reserves in future years.

The outturn position on the capital programme is slippage of £19.360m against the £79.174m approved delivery programme. The slippage will initially be carried forward for delivery in 2025/26, but the intention is to carry out a fundamental review of the deliverability of the 2025/26 capital programme and make recommendations to Cabinet regarding re-profiling in the first (Q1) financial performance update to Cabinet in September.

The outturn position on the Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) are also provided in the body of the report.

Recommendation(s)

1. Cabinet is asked to:

- Note the 2024/25 revenue outturn position of a £4.365m overspend (1.94%) against a net budget of £224.480m.
- Note the General Fund and Earmarked Reserves balance at 31 March 2025 of £63.684m.
- Note the overall 2024/25 capital programme outturn position of £59.814m, (76%) compared to the overall 2024/25 capital programme budget of £79.174m.
- Approve the in-year capital slippage of £19.360m being initially transferred into 2025/26 to enable an in-year review of the deliverability of the capital programme to be undertaken and the programme re-profiled accordingly.
- Note the 2024/25 outturn position for the Housing Revenue Account (HRA).
- Note the 2024/25 outturn position for the Dedicated Schools Grant (DSG).

Reasons for recommendation(s)

2. To note the final financial outturn position for 2024/25 subject to external audit.

Alternative options considered and rejected

3. N/A

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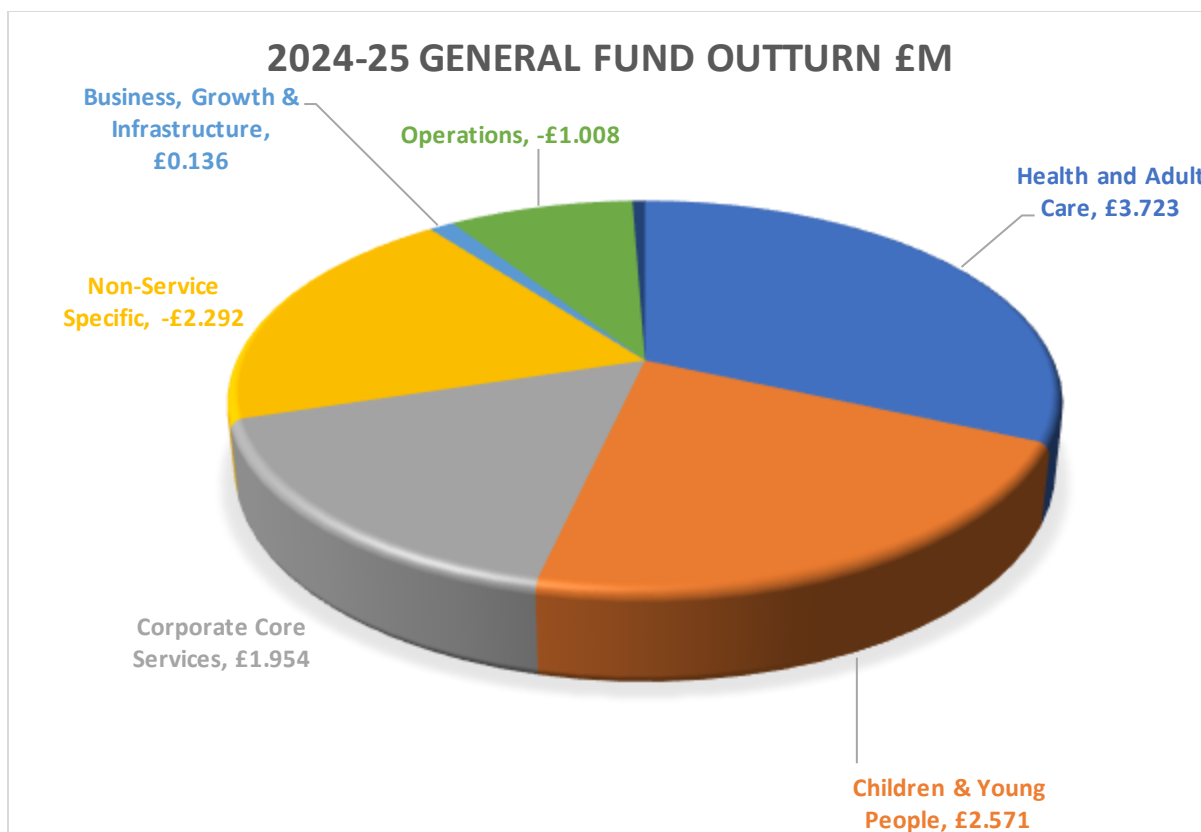
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Background

2024/25 Revenue Outturn

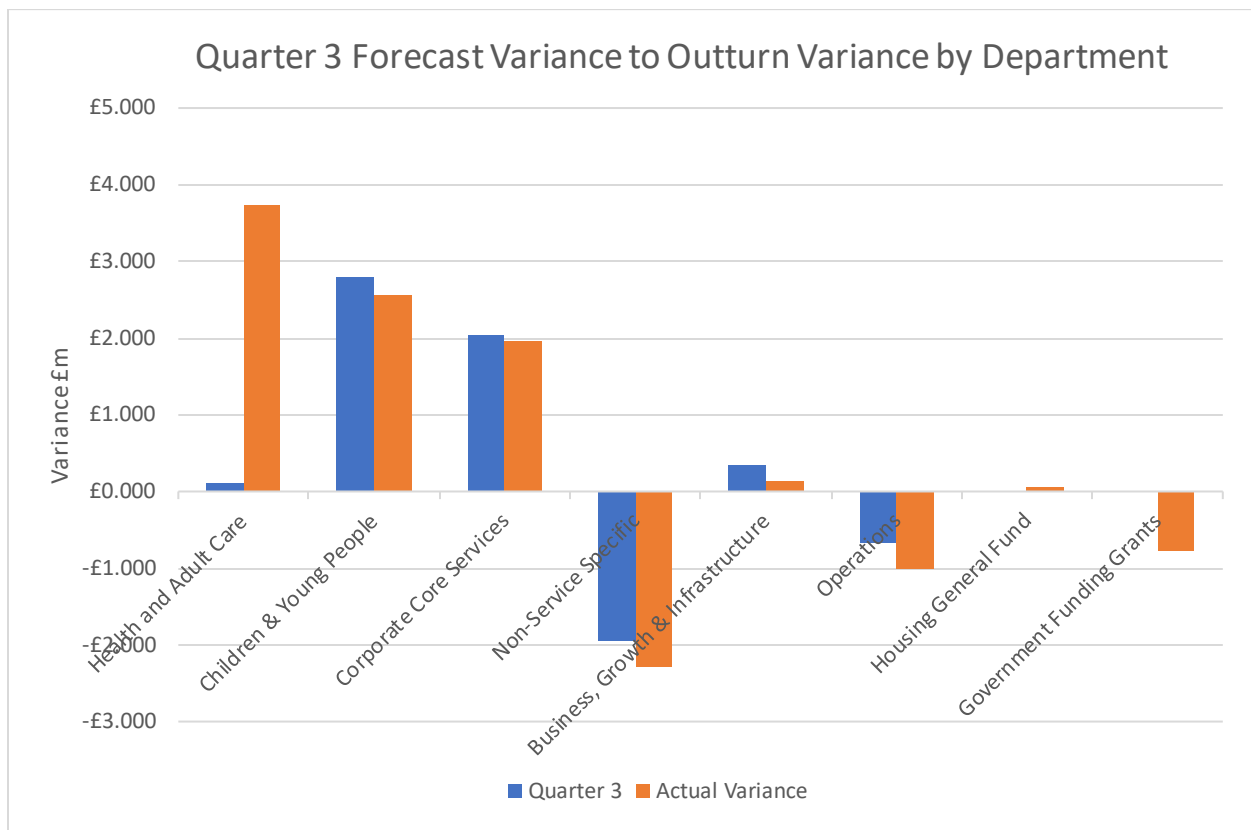
4. The 2024/25 general fund revenue outturn position was an overspend of £4.365m (subject to audit) which represents a variance of 1.94% compared to the overall revenue budget of £224.480m. The final outturn is £1.705m higher than the forecast outturn position at quarter 3 which was reported to Cabinet in March and represents an additional call on reserves.

2024/25 Indicative Outturn	Revised Budget £m	Actual £m	Actual to Budget Variance £m
<u>Directorate:</u>			
Health & Adult Care	£90.091	£93.814	£3.723
Children & Young People	£57.553	£60.124	£2.571
Corporate Core Services	£28.070	£30.024	£1.954
Non-Service Specific	£30.819	£28.527	(£2.292)
Business, Growth & Infrastructure	£0.580	£0.716	£0.136
Operations	£17.446	£16.438	(£1.008)
Housing General Fund	(£0.079)	(£0.011)	£0.068
NET REVENUE BUDGET	£224.480	£229.632	£5.152
<u>Funding:</u>			
Council Tax	(£110.198)	(£110.198)	£0.000
Business Rates	(£71.282)	(£71.282)	£0.000
Government Funding Grants	(£29.851)	(£30.638)	(£0.787)
FUNDING	(£211.331)	(£212.118)	(£0.787)
<u>Use of Reserves:</u>			
Budget Stabilisation Reserve	(£13.149)	(£13.149)	£0.000
USE OF RESERVES	(£13.149)	(£13.149)	£0.000
BUDGET POSITION	£0.000	£4.365	£4.365



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

2024-25 Revenue Outturn	Revised Budget £m	Quarter 1 Variance £m	Quarter 2 Variance £m	Quarter 3 Variance £m	Actual Variance £m
<u>Department:</u>					
Health & Adult Care	£90.091	£1.233	£0.937	£0.107	£3.723
Children & Young People	£57.553	£1.915	£2.924	£2.789	£2.571
Corporate Core Services	£28.070	£0.381	£1.460	£2.044	£1.954
Non-Service Specific	£30.819	(£0.752)	(£1.535)	(£1.959)	(£2.292)
Business, Growth & Infrastructure	£0.580	£0.034	£0.063	£0.347	£0.136
Operations	£17.446	(£0.191)	(£0.839)	(£0.668)	(£1.008)
Housing General Fund	(£0.079)	£0.000	£0.000	£0.000	£0.068
Directorate Total	£224.480	£2.620	£3.010	£2.660	£5.152
<u>Funding:</u>					
Council Tax	(£110.198)	£0.000	£0.000	£0.000	£0.000
Business Rates	(£71.282)	£0.000	£0.000	£0.000	£0.000
Government Funding Grants	(£29.851)	£0.000	£0.000	£0.000	(£0.787)
Funding	(£211.331)	£0.000	£0.000	£0.000	(£0.787)
<u>Use of Reserves:</u>					
Budget Stabilisation Reserve	(£13.149)	£0.000	£0.000	£0.000	£0.000
USE OF RESERVES	(£13.149)	£0.000	£0.000	£0.000	£0.000
GENERAL FUND	£0.000	£2.620	£3.010	£2.660	£4.365



Details of the significant variances include:

Health and Adult Care: (£3.723m overspend overall)

- The Care in the Community budget overspent by £5.558m. (10.01%). This is the both the largest proportion of the Health and Adult Care budget and the budget area subject to most volatility. The overspend is £4.448m higher than the forecast position at Q3 and reflects both the impact of an increase in demand, and the complexity of the individuals being supported, in the final quarter but also a data quality issue with regard to the recording of income for joint funded packages of care in the Controcc social care payments system which is integrated with the LiquidLogic case management system.

The data quality issue was identified as part of the year-end reconciliation process and effectively led to expenditure being netted off and understated by c.£4m. Work is being undertaken to address the underlying issues with regard to the configuration of the systems and to ensure staff are re-trained with regard to the recording of information correctly into LiquidLogic and Controcc and to develop better reporting functionality and improvements to the budget monitoring process to ensure that any discrepancies or issues are identified and addressed at the earliest opportunity. This improvement work is being overseen by the Finance Board.

c.£5.2m of the overspend is likely to be recurrent and not factored into the current MTFS. Work has already begun in the current financial year to

identify mitigations to address some of the financial impact in 2025/26 through A programme of work is underway focussing on maximising independence, a home first approach aiming to both prevent admission and increase discharge and identifying opportunities to build capacity to manage demand and deliver savings. There also offsetting underspends in other service areas particularly in non-service specific which are also recurrent in nature and will mitigate some of the recurrent pressure on the Adult Social Care budget.

- The Commissioning & Procurement budget underspent by £0.076m in part due to a one-off refund regarding NHU Continuing Healthcare funded packages.
- The Adult Social Care Operations budget underspent by £1.447m, the main driver is the ongoing challenges with recruitment leading to 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 £0.226m, due to:
 - Staffing Budget underspend.
 - One-off contract underspend for Sexual Health Services.
 - Reduction in Substance Misuse prescribing costs.
 - One-off contract underspend for Substance Misuse.

Children and Young People: (£2.571m overspend overall)

- Children's residential placements including Children with Disabilities overspent by £3.980m, of which £2.450m is in relation to demand with placements increasing from the 38 included in the 2024/25 budget to 47 at outturn; and £1.450m is due to an 11% increase in the average weekly unit cost of the placements. A total of £5.731m has been included in the 2025/26 budget to meet demand and inflation increases and it is anticipated that this should be sufficient to fund this pressure and estimated in-year increases in the current financial year, however the area will be subject to ongoing detailed review as part of the monthly monitoring process in line with the materiality and volatility inherent in this budget area.
- Home to School Transport overspent by £0.361m, in part due to the delayed achievement of the SEND transport savings of £0.275m which is expected to be achieved in full in 2025/26.
- There were costs of £0.240m which were not able to be charged to Dedicated Schools Grant resulting in an overspend within Education and Inclusion. This shortfall has been addressed in the MTFS and 2025/26 budget.

- Staffing and agency costs have a net overall underspend of £0.768m due to ongoing vacancies and difficulties with recruitment.
- Early Breaks has an underspend of £0.350m due to a reduction in overall demand.
- Additional grants totalling £0.521m have been received in year covering committed expenditure and helping to offset the overall overspend. The grant income has been applied in line with the relevant grant conditions.

Corporate Core Services: (£1.954m overspend overall)

- Housing Needs and Options has overspent by £1.176m (208.25%) in relation to overnight accommodation which is in line with the quarter three forecast position. This service has had an additional £1.100m of budget allocated for 2025/26 as part of the MTFS process to address the pressure and is another material and volatile budget area that will be kept under close review in the current financial year.
- There is an overspend of £1.152m resulting from an increased net contribution to the Insurance Reserve and Provision to reflect an updated valuation of the level of reserve and provision required to meet future claims and risks.
- Legal & Democratic Services has an underspend of £747k (12.30%) due to:
 - Member Allowance underspends £0.145m
 - Additional income from HRA £0.143m
 - Additional fee income £0.208m
 - Elections costs recovery for the municipal and Mayoral elections £0.174m
- The Corporate Core Executive Director service has overspent by £225k (3.11%) due to:
 - DDAT infrastructure and contract overspends (£1.113m) of which the ongoing costs have been included within the 2025/26 budget; offset by staffing underspends (£0.458m)
 - Partnerships and PSR staffing underspend (£0.189m) and overachieved contributions. (£0.134m)
 - Emergency Response & Resilience overachieved income (£0.097m)

Non-Service Specific: (£2.292m) underspend

- The underspend primarily related to lower than anticipated borrowing being undertaken through the re-phasing of, and subsequent slippage on, the capital programme alongside increased returns on investments including the airport dividend (£0.898m received, £0.498m over budget).

Business Growth and Infrastructure: (£0.136m overspend)

- The main reasons for the overspend were lower than budgeted incomes in Development Management (Planning) and the Longfield Centre in Prestwich.

Operations: (£1.008m underspend overall)

- Wellness has underspent by £0.571m due to overachievement of income targets alongside reduced costs on utilities and staffing. This reflects the work undertaken by the service to reduce the level of council subsidy to the leisure service.
 - Street Scene has underspent by £0.412m due to reduced street lighting energy costs due to a combination of volume reductions due to efficiencies in relation to LED infrastructure improvements and unit price reductions. The impact of this has been factored into the 2025/26 budget but will be kept under close review given the volatility in energy prices.
 - Various staffing areas have underspent across the services by a net £0.365m due to vacancies and organisational redesign enabling early delivery of the agreed 2025/26 staffing budget reductions.
 - Markets have overspent by £0.404m; income has underachieved due to the Market Hall closure and repairs and maintenance costs offset in part with reduced running costs. This has been addressed in the 2025/26 budget.
6. Whilst demand and inflationary pressures across council services have been built into the MTFs and 2025/26 budget, they were based on the information available at the time. As such there are both potential risks, and opportunities, relating to income and demand fluctuations fluctuating from the current assumptions. Work is being undertaken over the summer to carry out a review of all budgets with a Zero-Based Budget process, in part informed by the outturn position and review, to both identify savings to address the current c.£10 forecast funding gap and also build updated evidence-based budgets for 2026/27. This process will assess and identify areas of opportunity to reduce budgets alongside linking budgets to the strategic aims, objective and priorities of the Council. The ZBB may also identify services areas with structural budget pressures or where evidence-based investment could deliver cost reductions overall.

Savings

7. The council's performance against the approved savings proposals can be seen in the table below with overall 93.88% of agreed savings being delivered. The RAG rating indicates if the proposal is fully not achieved (red),

underachieved (amber), or already complete (blue). There are currently 15 schemes which are complete totalling £5.825m, two schemes which is currently rated amber with a forecast underachievement of £0.288m, with one scheme currently rated red at £0.150m underachievement.

Savings Proposal	Directorate	RAG Rating	Target (£000s)	Outturn (£000s)	Variance (£000s)
Review of Working Age Adults' Costs Against a Robust National Toolkit	HAC	C	(£700)	(£700)	£0
Development of Wider Learning Disabilities Strategy for Age 14-25 Cohort	HAC	C	(£180)	(£180)	£0
Residents Transitioning to Alternative Packages	HAC	C	(£375)	(£375)	£0
Enforce S22 of Care Act	HAC	C	(£336)	(£336)	£0
Reduce Public Health Staffing	HAC	C	(£033)	(£033)	£0
Consolidation of Community Bed Capacity	HAC	C	(£1,627)	(£1,627)	£0
Support at Home Budget - part of £500k HRA element - service ended	HAC	C	(£150)	(£150)	£0
Increase Fees and Charges through Financial Assessments - ensuring service users get all benefits available and pay their contribution. (Client Income)	HAC	C	(£684)	(£684)	£0
Remove Bad Debt Provision - realignment	HAC	C	(£200)	(£200)	£0
Children's Short Breaks & Personal Budgets	CYP	C	(£100)	(£100)	£0
SEND Transport	CYP	A	(£345)	(£70)	£275
Direct Payment Audits	CYP	C	(£100)	(£150)	(£50)
Capitalisation of Salaries through Capital Receipts	BGI	C	(£150)	(£150)	£0
Increase in Planning Fees	BGI	R	(£150)	£0	£150
Additional '3 days unpaid leave' Income	NSS/CCS	C	(£090)	(£90)	£000
Integration of Housing Services	NSS/CCS	C	(£1,000)	(£1,000)	£000
Additional Workforce Savings	NSS/CCS	A	(£25)	(£12)	£13
Service Reviews within the Corporate Core - Incl capitalisation of salaries 25/26	CCS	C	(£100)	(£100)	£0
TOTAL SAVINGS PROPOSALS FEBRUARY 2024			(£6,345)	(£5,957)	£388

- 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 tax fares. This is expected to be achieved in full in 2025/26.

- Increase in planning fees – as is common with this budget area, the income from planning fees can fluctuate year-to-year, due to being dependent upon the number of planning applications received.
- The HAC 2024/25 savings programme was delivered in full, however, demand pressures on the Community Care budget (increase in client numbers and increased costs of care packages) has offset the savings achieved during 2024/25. A programme of work is underway focussing on maximising independence, a home first approach aiming to both prevent admission and increase discharge and identifying opportunities to build capacity to manage demand and deliver savings.

Reserves

8. 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.
9. The table below shows the opening balance on reserves from the 31 March 2024 compared to the actual year-end balance on reserves in the unaudited 2024/25 statement of accounts.
10. Overall, the position on general fund and earmarked reserves reduced by £26.730m.
11. The significant movements include:
 - Budget Stabilisation which includes the budgeted use of reserves of £13.149m and the outturn position of £4.365m.
 - Budget Stabilisation Funding which is utilised to smooth the impact of the deficit on Business Rates and surplus on Council Tax.
 - Insurance Reserve utilisation in relation to a combination of settlement of claims and rebalancing the position on reserves and provisions as advised by the actuary.
 - Directorate Reserves have increased by contributions to reserves for future planned activities.

GENERAL FUND RESERVES SUMMARY			Balance at 31 March 2024 £m	Balance at 31 March 2025 £m	Variance £m
General Fund			(£10.000)	(£10.000)	£0.000
Directorate Reserves			(£3.225)	(£4.013)	(£0.788)
Corporate Reserves	Investment	Invest to Save	(£1.519)	(£1.958)	(£0.439)
Corporate Reserves	Investment	Regeneration	£0.000	(£0.020)	(£0.020)
Corporate Reserves	Investment	Transformation	(£0.838)	(£0.838)	£0.000
Corporate Reserves	Risk	Volatility/Demand	£0.000	£0.000	£0.000
Corporate Reserves	Risk	Insurance	(£4.664)	(£3.109)	£1.555
Corporate Reserves	Risk	DSG	(£6.000)	(£6.000)	£0.000
Corporate Reserves	Stabilisation	Net Budget	(£43.341)	(£25.707)	£17.634
Corporate Reserves	Stabilisation	Funding	(£7.193)	(£3.338)	£3.855
Corporate Reserves			(£63.555)	(£40.970)	£22.585
External Funding			(£13.634)	(£8.701)	£4.933
GF Reserves Balance excluding Statute & Ring-Fenced Reserves			(£90.414)	(£63.684)	£26.730

12. 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 however presents an unsustainable position and, as such, the Council continues to work to reduce the reliance on the use of reserves and to stabilise the Council's finances over the medium-term. As it currently stands the value of the Budget Stabilisation reserve is sufficient to meet the forecast funding gap in 2026/27, but not in 2027/28, however the financial strategy remains to identify budget proposals through the ZBB review work which will reduce the gap in 2026/27 and enable a budget to be set without recourse to reserves in the medium-term.

2024/25 Capital Outturn

13. 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

14. At the 16 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.
15. 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.
16. In February and March 2025, a Revised Programme and forecast of £79.174m was reported to Council and Cabinet. The table below shows the 2024/25 Capital Programme outturn position of £59.814m (subject to audit), that equals 76% of the revised capital programme total of £79.174m.
17. The main variances of the £19.360m underspend include:
 - £4.067m Schools grant allocations.
 - £14.443m across Radcliffe Regeneration Levelling-Up scheme, Bury Regeneration Levelling-Up scheme and Prestwich Village Regeneration.
 - £2.447m HRA Capital Programme.
 - £3.958m within Highways, including Highways Planned Maintenance Programme; Highway Structures; Street Lighting and Traffic Management schemes; Active Travel schemes.
 - £1.638m Housing including Disabled Facilities.
 - (£7.194m) Approved In-Principle schemes to 2025/26 per quarter 3 report.
18. The £59.814m capital schemes during 2024/25 have delivered the following: -
 - £21.018m of ongoing Regeneration projects: Radcliffe Hub is at an advanced stage, Bury Flexi Hall and Prestwich Travel Hub have begun on site.
 - £18.225m on Housing, including £15.210m on the Council Housing Stock, empty properties, rough sleepers and housing developments.
 - £9.810m of Highways maintenance and Active Travel Schemes.
 - £3.8m on Sports and Leisure, improvements to open spaces and new 3G football pitches.
 - £3.434m on Schools, condition and modernisation as well as basic needs provision.
 - £1.456m of Property schemes, including Bury Market and rationalisation of the Corporate Estate.
 - £1.522m improving and renewing Digital Communication technologies the Council employs to deliver its services.

Capital Expenditure by Theme	2024/25 Revised Programme	Actual Spend at Outturn	Actual Spend at Outturn	(Under) / Over spend at Outturn	Proposed Slippage to 2025/26
	£m	£m	%	£m	£m
Regeneration and Economic Growth	£35.460	£21.018	59%	(£14.442)	£14.442
Open Spaces	£1.576	£0.978	62%	(£0.598)	£0.598
Sports and Leisure	£3.245	£2.868	87%	(£0.377)	£0.377
Operational Fleet	£0.412	£0.367	89%	(£0.045)	£0.045
ICT and Digital	£0.775	£1.523	127%	£0.748	(£0.748)
Highways	£13.769	£9.811	69%	(£3.958)	£3.958
Children and Young People	£7.501	£3.434	46%	(£4.067)	£4.067
Property	£1.168	£1.457	91%	£0.289	(£0.289)
Older People	£0.057	£0.057	100%	£0.000	£0.000
Housing GF	£4.653	£2.401	52%	(£2.252)	£2.252
Housing HRA	£17.657	£15.824	90%	(£1.833)	£1.833
Climate Change	£0.095	£0.076	80%	(£0.019)	£0.019
Approved In Principle schemes from 2025/26	(£7.194)	£0.000	0%	£7.194	(£7.194)
TOTAL EXPENDITURE	£79.174	£59.814	76%	(£19.360)	£19.360
Financing the Capital Programme					
Prudential Borrowing	£28.660	£11.124	39%	(£17.536)	£17.536
External Funding	£37.197	£32.716	88%	(£4.481)	£4.481
Capital Receipts	£5.429	£7.740	143%	£2.311	(£2.311)
General Fund Revenue Contribution to Capital Outlay	£0.558	£0.833	149%	£0.275	(£0.275)
Housing Revenue Account Major Repairs Reserve	£7.330	£7.401	101%	£0.071	(£0.071)
TOTAL FINANCING	£79.174	£59.814	76%	(£19.360)	£19.360

19. The slippage has been caused by a number of factors including some delays in procurement and contract awards, unexpected issues being identified during both design and construction phases which have delayed the delivery of some schemes and recruitment challenges which have impacted on the capacity to deliver.
20. It is proposed that the slippage of £19.360m on schemes is initially carried forward into the 2025/26 Capital Programme, that will increase the 2025/26 Capital Programme from £120.736m approved at February 2025 Budget Council to £140.096m, which includes an overall borrowing requirement of £61.783m. The intention is to carry out a fundamental review of the deliverability of the 2025/26 capital programme and make recommendations to Cabinet with regard to re-profiling in the first (Q1) financial performance update

to Cabinet in September. The initial impact of the carry forward is set out in the table below.

Capital Expenditure by Theme	2025/26 Programme £m	Proposed Slippage to 2025/26 £m	2025/26 Revised Capital Programme £m
Regeneration and Economic Growth	£46.640	£14.442	£61.082
Open Spaces	£0.000	£0.598	£0.598
Sports and Leisure	£0.000	£0.377	£0.377
Operational Fleet	£0.000	£0.045	£0.045
ICT and Digital	£0.000	(£0.748)	(£0.748)
Highways	£28.395	£3.958	£32.353
Children and Young People	£9.787	£4.067	£13.854
Property	£2.697	(£0.289)	£2.408
Older People	£0.000	£0.000	£0.000
Housing GF	£3.652	£2.252	£5.904
Housing HRA	£29.522	£1.833	£31.355
Climate Change	£0.043	£0.019	£0.062
Approved In Principle schemes from 2025/26	£0.000	(£7.194)	(£7.194)
TOTAL EXPENDITURE	£120.736	£19.360	£140.096
Financing the Capital Programme			
Prudential Borrowing	£51.480	£17.536	£69.016
External Funding	£52.048	£4.481	£56.529
Capital Receipts	£9.864	(£2.311)	£7.553
General Fund Revenue Contribution to Capital Outlay	£0.014	(£0.275)	(£0.261)
Housing Revenue Account Major Repairs Reserve	£7.330	(£0.071)	£7.259
TOTAL FINANCING	£120.736	£19.360	£140.096

Collection Fund Outturn Position

- 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 outturn position on the collection fund is an in-year surplus of £6.150m, 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 £0.684m. The Council's share of the surplus is £0.539m and Greater Manchester Combined Authority's share is £0.146m (for police and fire and rescue services).

22. 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 Business Rates and 84% share of Council Tax.
23. The main movements which are resulting in the surplus position of £0.684m (Bury share £539m) are shown below.

2024/25 Surplus/(Deficit) on Collection Fund	Council Tax	NNDR	TOTAL
	£m	£m	£m
2023/24 Surplus/(Deficit) Balance b/f	£0.630	(£6.096)	(£5.466)
2024/25			
Income	£134.140	£47.137	£181.277
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	£134.140	£52.552	£186.692
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		£0.078	£0.078
Impairment of Debts/Appeals:			
Write-offs of Uncollectable Amounts	(£0.070)	(£0.055)	(£0.124)
Increase/(Decrease) in the Allowance for Impairment of Arrears	(£1.513)	£0.080	(£1.432)
Increase/(Decrease) in the Allowance for Impairment of Appeals		(£0.145)	(£0.145)

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	(£133.853)	(£46.690)	(£180.542)
2024/25 In-Year Surplus/(Deficit)	£0.287	£5.863	£6.150
Surplus/(Deficit) as at 31.03.2025	£0.918	(£0.233)	£0.684

Share of the 2024/25 Surplus/(Deficit)	Council Tax £m	NNDR £m	TOTAL £m
Bury MBC	£0.770	(£0.231)	£0.539
Police and Crime Commissioner	£0.103		£0.103
General Mayoral - Fire and Rescue Service	£0.045	(£0.002)	£0.043
Surplus/(Deficit) as at 31.03.2025	£0.918	(£0.233)	£0.684

24. Work has been undertaken to reduce the arrears for both Council Tax and Business Rates which has resulted in a reduced requirement for allowance for impairment of debt. The performance for arrears reduction is a 10.91% reduction for Council Tax and a 10.59% reduction for Business Rates.
25. Alongside improving the collection of arrears, there has been significant work undertaken to improve the collection rate for in year debt. The trend for collection 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 Actual collection rate	95.59	96.55
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

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

Housing Revenue Account Outturn position

27. The table below shows the overall pre audit outturn position on the HRA for 2024-25, which is for an underspend of £0.201m, which is an improvement of £1.495m from the position reported at the end of Quarter 3.

HRA INCOME AND EXPENDITURE STATEMENT	2024/25 Revised Budget (Q04)	2024/25 OUTTURN		
		Actual	Variance	
	£m	£m	£m	%
INCOME				
Dwelling Rents	(£36.759)	(£36.745)	£0.014	99.96%
Non-dwelling Rents	(£0.204)	(£0.229)	(£0.025)	112.25%
Other Charges for Services and Facilities	(£1.376)	(£1.151)	£0.225	83.65%
Contributions Towards Expenditure	(£0.161)	(£1.219)	(£1.058)	757.14%
Total Income	(£38.500)	(£39.344)	(£0.844)	102.19%
EXPENDITURE				
Repairs and Maintenance	£8.160	£9.335	£1.175	114.40%
Supervision and Management	£10.632	£9.945	(£0.687)	93.54%
Special Services	£1.431	£1.328	(£0.103)	92.80%
Rents, Rates, Taxes, and Other Charges	£0.038	£0.183	£0.145	481.58%
Depreciation of Non-Current Assets	£7.330	£7.414	£0.084	101.15%
Debt Management Expenses	£0.045	£0.025	(£0.020)	55.56%
Movement in Provision for Bad Debts	£0.525	£0.335	(£0.190)	63.81%
Total Expenditure	£28.161	£28.565	£0.404	101.43%
HRA Services' Share of Corporate and Democratic Core	£0.400	£0.418	£0.018	104.50%
Net Income or Expenditure of HRA Services	(£9.939)	(£10.361)	(£0.422)	104.25%
Interest Payable and Similar Charges	£4.500	£4.570	£0.070	101.56%
Interest and investment income	(£0.800)	(£0.649)	£0.151	81.13%
(Surplus) or Deficit for the Year on HRA Services	(£6.239)	(£6.440)	(£0.201)	103.22%
APPROPRIATIONS				
Reversal of Depreciation	(£7.330)	(£7.414)	(£0.084)	
Transfer to the Major Repairs Reserve	£7.330	£7.414	£0.084	
Repayment of Arranged Loans	£0.204	£0.204	£0.000	100.00%
Capital Expenditure Funded by the HRA	£0.000	£0.000	£0.000	0.00%
Total Appropriations	£0.204	£0.204	£0.000	100.00%

28. The final outturn underspend position will increase the overall in-year contribution to the HRA Reserve. Details of the significant variances include:

- Service Charges £0.225m under-recovery as previously forecast. This shortfall mainly relates to Sheltered Services charges.
- Repairs and Maintenance £1.175m which reflects both increased service demands and rising costs, the main pressures were:
Disrepairs – there has been a national trend seeing increasing numbers of disrepair claims being made. The overspend of £0.276m was made up of £0.150m overspend on legal costs and £0.126m on compensation payments and professional fees.
£0.286m overspend related to agency costs, due to difficulties in recruiting into permanent posts.
£0.307m overspend related to a shortfall in anticipated income from additional charges on capital works, previously claimed by STH, but no longer required
£0.095m relating to cost pressures within the Assets section.
- Supervision and Management has an underspend of £0.687m which relates to the following services:
Consultancy costs underspend £0.134m.
Underspend of £0.245m due to vacancy savings and an underspend in legal costs and supporting costs for the Neighbourhood service and Business Assurance service.
On the creation of the integrated budgets there had been a duplication in the budgeting for various Insurances which resulted in a saving £0.247m.
- Special Services have underspent by £0.103m made up of minor variances under £0.100m:
- Allowance for Bad debts £0.190m underspend. The contribution to the Bad Debt Allowance required is less than budgeted for. This is due to a smaller than anticipated overall increase in the level of arrears and a much smaller amount of debt being written off in year, amounting to less than £0.080m compared to £0.178m in the previous year.
- Interest and Investment Income underachieved by £0.151m. 2024/25 saw a number of cuts in the Bank of England base rate, which reduced the earning potential of cash sums held and invested by the Council.
- External Interest Charges £0.070m. Pressure caused by increased interest charges on HRA debt held, which has been impacted by the move away from direct revenue financing of the capital plan to a combination of increased prudential borrowing, use of capital receipts and Government grants.

29. The revised HRA Capital Programme including slippage from 2023/24 is £17.657m as detailed in the table below. The final actual spend was £15.824m requiring £1.833m of slippage into 2025/26.

CAPITAL PROGRAMME	2024/25 Revised Budget	2024/25 OUTTURN Variance		
	£m	Actual £m	£m	%
CAPITAL EXPENDITURE				
Major Works & Imps	£13.819	£6.109	(£7.710)	44.21%
Other Capital Spend	£3.838	£9.715	£5.877	253.10%
New Build Development Costs	£0.000	£0.000	£0.000	0.00%
Demolition Costs	£0.000	£0.000	£0.000	0.00%
Other Fixed Assets	£0.000	£0.000	£0.000	0.00%
Total Capital Expenditure	£17.657	£15.824	(£1.833)	89.62%
CAPITAL FINANCING				
Prudential Borrowing	(£3.919)	(£2.402)	£1.517	61.29%
External Funding	(£3.285)	(£3.394)	(£0.109)	103.32%
Capital Receipts	(£3.123)	(£2.627)	£0.496	84.12%
HRA Direct Revenue Financing	(£0.000)	£0.000	£0.000	0.00%
HRA Major Repairs Reserve	(£7.330)	(£7.401)	(£0.071)	100.97%
Total Capital Financing	(£17.657)	(£15.824)	£1.833	89.62%
Total Capital Programme	£0.000	£0.000	£0.000	

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

MOVEMENT on the HRA RESERVE	2024/25 Revised Budget	2024/25 Actual (OUTTURN)	
	£m	£m	£m
Balance on the HRA at the End of the Previous Reporting Period	(£10.511)	(£10.511)	£0.000
(Surplus) or Deficit for the Year on the HRA Income and Expenditure Statement	(£6.239)	(£6.440)	(£0.201)
Appropriations	£0.204	£0.204	£0.000
Net (Increase) or Decrease before Transfers to or from Reserves	(£6.035)	(£6.236)	(£0.201)
Transfers to/(from) Earmarked Reserves	£0.000	£0.000	£0.000
(Increase) or Decrease in Year on the HRA	(£6.035)	(£6.236)	(£0.201)
Balance on the HRA at the End of the Current Reporting Period	(£16.546)	(£16.747)	(£0.201)

Dedicated Schools Grant Outturn position

31. The DSG is broken down into 4 components and Bury's allocations and pre-audit outturn position for 2024-25 are as follows: -

	Allocation £m	Outturn Variance £m
Schools Block	£157.600	(£0.042)
Central Services Block	£1.100	(£0.097)
Early Years Block	£22.700	(£0.873)
High Needs Block	£47.400	£1.595
TOTAL	£228.800	£0.582

32. The Schools Block and Early Years Block are almost entirely passported to schools and early years providers. The Central Services Block is used to fund central services funded by Bury. There is little variance in this area. The major risk to the Council is the High Needs Block. (HNB)

33. The HNB spending and allocations are subject to numerous funding regulations. These regulations are described in full within the DFE High Needs Funding Guidance and the link is given below:

[High needs funding: 2024 to 2025 operational guide - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/high-needs-funding-guidance-2024-to-2025-operational-guide)

34. The HNB covers Special Educational Needs (SEN) funding for pupils aged 0 to 25 irrespective of which setting they attend. The broad headings for the HNB 2024/25 budget and outturn position are shown below:

HNB Category	24- 25 Budget £m	24- 25 Outturn £m
Specials Schools and Pupil Referral Unit (PRU)	£19.800	£19.110
Resourced Provision within Mainstream Schools (RP)	£3.000	£1.870
Early Years Funding	£0.000	£0.000
SEN Funding within Mainstream Funding (EHCP's)	£8.200	£9.764
Independent (Out Borough) Special Schools	£12.300	£14.749
Post 16 Commissioned Places	£1.800	£1.787
Alternative Provision	£1.700	£1.642
SEN Support Services	£2.200	£1.667
Expenditure Relating to Recovery Plan	£0.400	£0.416
Import/export of students	£1.200	£1.194
Total Expenditure	£50.600	£52.200
Financed by:-		
High Needs Block Allocation	(£46.600)	(£47.578)
Recoupment from other LA's	(£0.500)	(£0.405)
School Block Transfer	(£0.800)	(£1.735)
Health Service Contribution	(£1.600)	(£0.899)
DFE Safety Valve Income	(£1.000)	(£1.000)
Total Income	(£50.500)	(£51.620)

Balance	£0.100	£0.582
DEFICT b/f	£18.500	£18.459
DEFICT c/f		£19.041

35. The DSG deficit at the beginning of the 2024/25 financial year was £18.459m, during the year, the service has worked on making savings where possible, whilst continuing to face increasing demand which is a national pressure. The pre-audit 2024/25 DSG deficit position is £19.041m, an increase of £0.582m
36. Bury is within the Safety Valve Programme which means the Council must work with the DfE around how the deficit is managed, and a revised DSG recovery plan has been agreed with the Department of Education (DfE). Under this arrangement the DfE has provided additional funding of £26m (over the length of the agreement up to 2028/29). £4m of this is due over the next 4 years and is at risk if the conditions of the plan cannot be met.
37. There remain significant challenges for Project Safety Valve (PSV) as the service continues to see increases in both demand and in unit costs. The work on PSV workstreams and reducing expenditure in future years is paramount in ensuring a balanced position in the High needs Block and a reduction in the carried forward DSG deficit position.
38. The deficit is ring fenced and carried forward within Bury's accounts. This is permissible under the statutory override arrangements. The recent Spending Review published stated:
- “To make the system more inclusive and improve outcomes for all children and young people, the government will reform the current Special Educational Needs and Disabilities (SEND) system. Details of the government's intended approach to SEND reform will be set out in a Schools White Paper in the autumn”. It will also “set out further details on supporting local authorities as we transition to a reformed system as part of the local government funding reform consultation”.*
39. Due to the quantum of the national DSG deficit, it was always unlikely that the override would be removed without transitional arrangements being put into place to avoid pushing councils towards issuing S114 notices. It has now been confirmed that the statutory override will be extended until 2027/28.
40. The majority of LA's are now facing serious budgetary pressures and deficits which have been building over a number of years due to: -
- The HNB allocations not being increased for the rises in pupil numbers.
 - The percentage of pupils with SEN needs has been increasing but has not been reflected within allocations.
 - The HNB becoming responsible for 19- to 25-year-olds without any additional funding.

- LA's own provision being at full capacity meaning there is more reliance on expensive independent special school's fees.
- Inflationary pressures being greater than the increase's in HNB funding.

Schools Balances

41. Schools Balances brought forward from 2023/24 totalled £2.555m. At the end of the 2024/25 financial year, Schools Balances totalled £2.484, a total reduction of £0.071m. These numbers do not include academies that the Local Authority does not report on.

42. The outturn position is split as follows:

	2024/25 Closing School Balances £m
Nursery	£0.082
Primary	£0.025
Secondary	£1.370
Special	£1.007
TOTAL	£2.484

43. The number of schools which are in a deficit position has reduced from 17 at the end of 2023-24 to 12 at the end of the 2024-25 financial year.

44. Schools are required to adhere to their budget limits, but in the event of an unplanned deficit occurring this will be deducted from the following year's budget share. Schools that aren't able to produce a balanced budget for 2025/26 can request approval to set a deficit budget by submitting a deficit recovery management plan to the Executive Director of Children and Young People. The deficit should normally be recovered within two to three years.

45. Of the 12 schools ending 2024/25 with a deficit, there are currently 10 schools that cannot currently set a balanced budget for 2025/26:

- 4 already have an approved deficit recovery plan.
- 4 plans are currently being reviewed by Finance staff before submission for approval.
- 2 have not yet submitted a deficit recovery plan for approval.

46. Discussions are ongoing with the schools that have not yet submitted a recovery plan.

Links with the Corporate Priorities:

47. 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:

48. 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.
49. 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:

50. 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.
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Legal Implications:

51. This report provides Members with details of the outturn position, there are no specific legal considerations in this report

Financial Implications:

52. The financial implications are included within the Report.

Appendices:

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
MTFF	Medium Term Financial Forecast
LGFS	Local Government Finance Settlement
CIPFA	Chartered Institute of Public Finance and Accountancy
PSV	Project Safety Valve
DfE	Department for Education