

Report to:	Cabinet	Date: 20 September 2025
Subject:	2025-26 Q1 Finance Position	
Report of	Cabinet Member for Finance and Transformation	

Summary

1. To present to members the 2025/26 forecast revenue outturn position as at 30 June 2025.
2. To present to members the 2025/26 forecast savings position as at 30 June 2025.
3. To present to members the 2025/26 forecast capital outturn position as at 30 June 2025.
4. To present to members the 2025/26 forecast Collection Fund position as at 30 June 2025.
5. To present to members the updated 2025/26 forecast for the Housing Revenue Account (HRA) position as at 30 June 2025
6. To report the Prudential Indicators as at quarter 1.

Recommendation(s)

7. Cabinet is asked to:
 1. Note the 2025/26 forecast revenue outturn position as at 30 June 25 of a £4.148m overspend (1.74%) against a net budget of £238.257m.
 2. Note the 2025/26 forecast savings position as at 30 June 2025 of a forecast underachievement of £0.441m (-3.9%) against an agreed target of £11.344m.
 3. Approve the in-year updates to the capital programme, revising the capital delivery programme for 2025/26 to £132.095m which will form the basis for future in-year monitoring and reporting of performance.
 4. Note the 2025/26 forecast Collection Fund Position as at 30 June 2025 of a surplus of £1.627m of which £1.563m relates to Bury's share.
 5. Note the Prudential Indicators as at quarter 1.

Reasons for recommendation(s)

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

Alternative options considered and rejected

10. N/A

Report Author and Contact Details:

Name: Neil Kissock
Position: Director of Finance
Department: Corporate Core
E-mail: n.kissock@bury.gov.uk

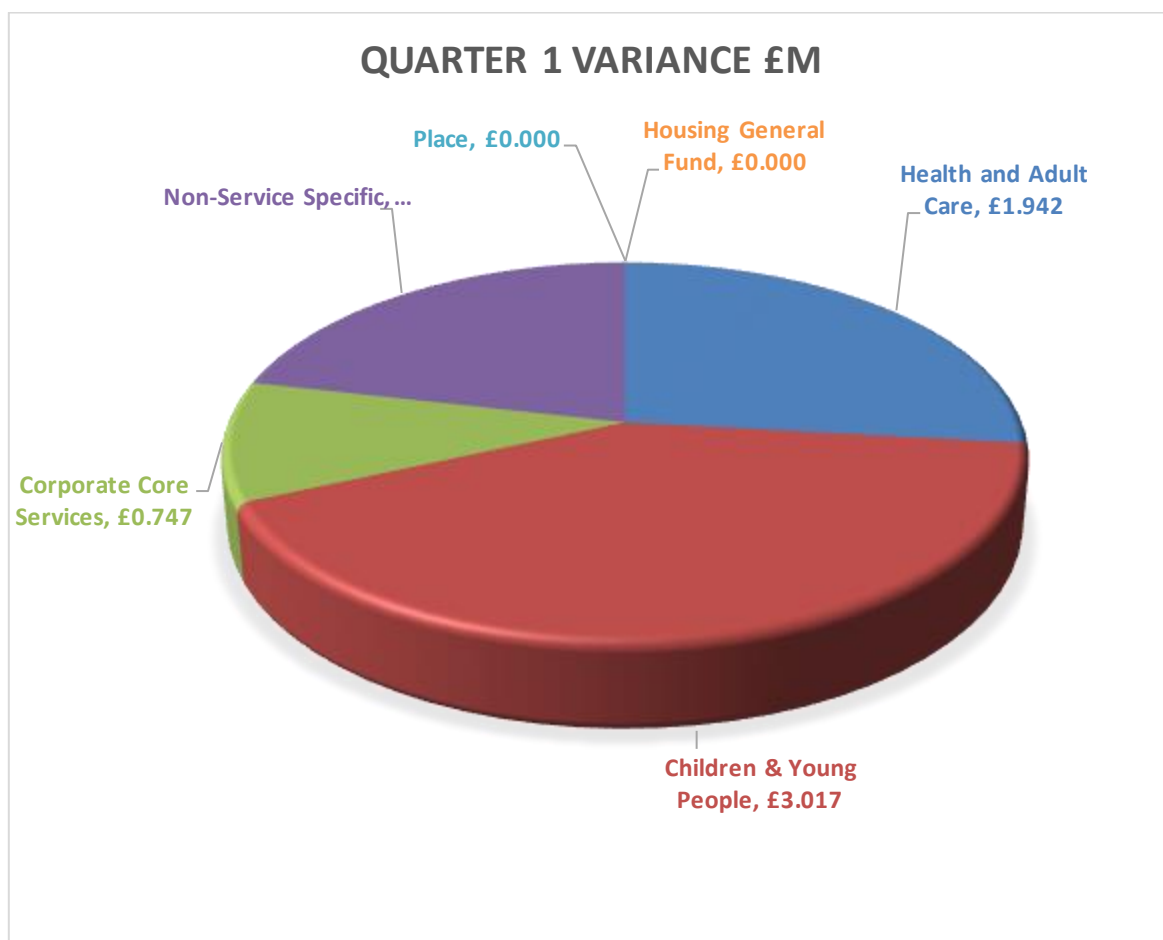
Background

2025/26 Quarter 1 Forecast Outturn Position

11. The 2025/26 general fund revenue month 3 forecast outturn position shows an overspend of £4.148m which represents a variance of 1.74% compared to the overall net revenue budget of £238.257m. The forecast is based on expenditure and activity levels at Quarter 1, with assumptions made with regard to forecast changes over the rest of the year with the future demand and cost of adult and children's social care services being inherently difficult to predict.
12. The variance is in addition to an approved contribution from reserves of £5.858m to address the structural funding gap in the current year revenue budget set at February Council. 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 necessarily become an additional call on reserves.

2025/26 Quarter 1 Forecast Outturn	Revised Budget £m	Q1 Forecast Outturn £m	Q1 Forecast Variance £m
<u>Directorate:</u>			
Health and Adult Care	£97.154	£99.096	£1.942
Children & Young People	£64.532	£67.549	£3.017
Corporate Core Services	£30.618	£31.365	£0.747
Non-Service Specific	£31.522	£29.965	-£1.557
Place	£14.509	£14.509	£0.000
Housing General Fund	(£0.079)	(£0.079)	£0.000

NET REVENUE BUDGET	£238.257	£242.405	£4.148
<u>Funding:</u>			
Council Tax	(£119.350)	(£110.198)	£0.000
Business Rates	(£73.546)	(£71.282)	£0.000
Government Funding Grants	(£39.503)	(£39.503)	£0.000
FUNDING	(£232.398)	(£220.983)	£0.000
<u>Use of Reserves:</u>			
Budget Stabilisation Reserve	(£5.858)	(£5.858)	£0.000
USE OF RESERVES	(£05.858)	(£05.858)	£0.000
BUDGET POSITION	£0.000	£15.564	£4.148



13. Details of the significant variances include:

Health and Adult Care:

The 2025/26 Health and Adult Care (HAC) Directorate budget is forecast to overspend by £1.942m at Month 3, this forecast assumes that £4.000m of care package savings will be achieved by the end of this financial year.

HAC Directorate Service Area	Budget	Forecast	Month 3 Variance
	£m	£m	£m
Adult Social Care Operations	£8.890	£8.354	-£0.537
Care in the Community	£62.098	£64.684	£2.586
Commissioning & Procurement	£10.006	£10.051	£0.045
Departmental Support Services	£2.194	£2.212	£0.018
Sub Total	£83.188	£85.300	£2.112
Public Health	£10.712	£10.757	£0.045
Sub Total	£10.712	£10.757	£0.045
Wellness	£2.669	£2.454	-£0.215
Arts & Museums	£0.585	£0.585	£0.000
Sub Total	£3.254	£3.039	-£0.215
Total	£97.154	£99.096	£1.942

- The Care in the Community budget is forecast to overspend by £2.586m (4.2%).

The service settings driving the overspend are Supported Living, Direct payments and Home Care. The forecast also assumes that £4.000m of previously agreed care package savings will be achieved by March 31, 2026.

A programme of work supported by an organisation (Impower) that specialises in transforming public services is underway to address the additional c£4m budget pressure that was noted at Cabinet in July as part of the 2024/25 outturn report. The overall objective of the transformational work is to:

- Co-produce multiple trajectories to explore potential cost avoidance and savings opportunities.
- Deliver an intervention to increase efficiency and capacity in Reablement, enabling increased use of Reablement for Hospital Discharge.
- Deliver an intervention to undertake targeted reviews in Mental Health, with wrap around support and impact tracking.
- Review work to date on embedding a strengths-based approach, deliver an intervention to trial next steps for embedding in one community team and develop a full roll out plan.

Based on the analysis and work undertaken to date the current forecast prudently assumes that this work will deliver c£2m of in-year savings with the full-year impact of those savings fully addressing the £4m additional budget pressure by 2026/27. This area will remain under detailed review and progress updates provided to future Cabinet meetings in the quarterly reports.

System Data Quality

A material data quality issue was identified on Controcc (integrated with LiquidLogic) regarding Joint Funded Care Packages as part of the 2024/25 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.

- The Adult Social Care Operations budget is forecast to underspend by £0.537m. (6%). The main drivers of the underspend are staffing vacancies within the following teams:
 - Assessment and Care Management Team
 - Integrated Neighbourhood Teams
 - Choices for Living Well
 - Community Mental Health Team
 - Older People Mental health team

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 Commissioning and Procurement budget is forecast to overspend by £0.045m (0.5%) and is largely driven by an additional contribution to the BISP Safeguarding Board.
- The Departmental Support Services budget is forecast to overspend by £0.018m (0.8%) and is largely driven by a pressure on the vacancy factor budget.
- The Public Health budget is forecast to overspend by £0.045m (0.4%) and is driven by a pressure on the vacancy factor budget.
- The Wellness budget is forecast to underspend by £0.215m (£8.1%). The underspend is the net impact of the closure of the Radcliffe Leisure centre and staffing vacancies across the Leisure budget portfolio partially offset by a vacancy budget pressure within the Wellness service.
- Arts and Museums are forecast to be broadly on budget.

Children and Young People:

The Children and Young People directorate is forecast to overspend by £3.017m (4.7%).

- The Safeguarding and Social Care service is forecast to overspend by £2.698m (5.5%) due to residential placement numbers and unit costs continuing to exceed the

budgeted amount despite demand growth being built into the 2025/26 budget as the savings approved in relation to the stepping down of 7 placements has not yet been achieved. The service are progressing work on a number of fronts targeting delivery of a net reduction in residential placements that would reduce the forecast overspend position and potentially deliver better outcomes at lower cost for a number of children. Given the inherent financial risks in this service area, which is a national issue affecting all local authorities with social care responsibilities, it will remain under detailed review overseen by the Finance Board and updates provided to Cabinet as part of the quarterly reporting cycle. The pressures are partially being offset by a reduction in the Children with Disabilities residential placements and vacancy savings.

- Within Education and Inclusion, Home to School Transport is forecast to overspend by £0.440m due to increased pupil numbers (£0.310m) and increased costs of the provision (£0.130m).
- Childrens commissioning service is forecast to overspend by £0.181m due to staffing variances following the expansion of the commissioning team which have not yet been fully offset by anticipated reductions in third party social care spend.
- There are offsetting underspends of around £0.200m on Childrens Services Management.

Corporate Core Services

The Corporate Core Services department is forecast to overspend by £0.747m (2.44%)

- People and Inclusion (HR) are forecasting an overspend of £0.238m (9.3%). This is primarily due to a historic shortfall in the 'education buy-back' budget totalling £0.285m (35.22%), which has widened as more maintained schools convert to academy status, reducing income and is partially offset by some small underspends.
- Finance is forecasting an overspend of £0.880m (7.7%) mainly due to the increased costs of insurance premiums. The procurement and resulting contract award wasn't finalised until after the 2025/26 budget was set and this will be reflected in the revised MTFS later this year.
- Legal & Democratic Services is forecast to underspend by £0.489m (8.5%) mainly driven by a fallow year in Municipal Elections (£0.358m) and small forecast underspends on staffing and member expenses.

Non-Service Specific

The Non-Service Specific Department is forecast to underspend by £1.557m (5%)

mainly in relation to higher than budgeted income from treasury investments alongside reduced borrowing costs reflecting the reprofiled capital programme.

Department of Place:

The Place department is forecast to be on budget overall with a number of offsetting individual variances below £0.100m.

Staffing costs

14. Included within the Departmental forecast positions are variances in relation to staffing and agency costs as seen in the table below. Within the net staffing / agency underspend is the achievement of the vacancy factor, 3 days unpaid leave and purchase of annual leave schemes totalling £3.521m.

2025/26 Quarter 1 Forecast	Staffing/Agency Budget £m	Staffing/Agency forecast	Staffing/Agency Variance	Vacancy / leave savings target achieved £m
<u>Directorate:</u>				
Health and Adult Care	£29.033	£28.306	-£0.728	-£1.012
Children & Young People	£88.237	£87.428	-£0.808	-£0.514
Corporate Core Services	£27.607	£27.436	-£0.171	-£1.148
Non-Service Specific	£3.190	£3.190	£0.000	£0.000
Place	£22.459	£22.542	£0.084	-£0.848
Housing General Fund	£0.000	£0.000	£0.000	£0.000
NET REVENUE BUDGET	£170.526	£168.903	-£1.623	-£3.521

The net forecast underspend relating to staffing after agency costs and the achievement of the agreed savings in relation to the vacancy factor and additional leave schemes is £1.623m.

Savings position

15. The table below show the forecast position for the savings proposals which have been approved at February 2025 along with the pre-approved February 2023 savings which come into force during 2025/26. The forecast is an underachievement of £0.441m. The main reason for the underachievement is delayed implementation of restructures and other activities required to enable delivery of the agreed savings. Work is being undertaken, overseen by the Finance Board, to identify ways that the current estimated delays in savings delivery can

be reduced and in identify mitigations to reduce the in-year financial impact. With the exception of the Therapeutic Support team saving, services are mitigating the delay in savings delivery within their existing budgets and are not forecasting significant overspends in their areas. It is anticipated that delayed savings will be fully achieved in full by 2026/27.

2025/26 Budget Proposals	Directorate	Feb 2025 Target	Quarter 1 Forecast	Quarter 1 Forecast Variance (over)/underachievement
		2025/26 £m	£m	£m
<u>Draft Budget Proposals (Operational Decision):</u>				
HAC Strategic Workforce Review	HAC	(£0.010)	(£0.010)	£0.000
CYP Strategic Workforce Review	CYP	£0.000	£0.000	£0.000
CCS Strategic Workforce Review	CCS	(£0.186)	(£0.186)	£0.000
BGI Strategic Workforce Review	BGI	(£0.062)	(£0.062)	£0.000
OPS Strategic Workforce Review	OPS	(£0.145)	(£0.145)	£0.000
Adults Commissioning Review	HAC	(£1.000)	(£1.000)	£0.000
Single Handed Care Trial	HAC	(£0.200)	(£0.200)	£0.000
Personal Budget Review	HAC	(£0.250)	(£0.250)	£0.000
Direct Payment Reassessment to Include Therapy	HAC	(£0.050)	(£0.050)	£0.000
Discharge to Assess Reviews by Therapy	HAC	(£0.050)	(£0.050)	£0.000
Neighbourhood Housing Support	HAC	(£0.050)	(£0.050)	£0.000
ASC Community Care budget realignment	HAC	(£1.680)	(£1.680)	£0.000
Dividend income from Persona - one-off in 25/26	HAC	(£0.350)	(£0.350)	£0.000
Persona - remodel of supported living hours	HAC	(£0.330)	(£0.330)	£0.000
Persona - employability	HAC	£0.000	£0.000	£0.000
Persona - Willow Street (6 flats for decant from dispersed accommodation)	HAC	£0.000	£0.000	£0.000
Maximising charges for Deferred Payments	HAC	(£0.005)	(£0.005)	£0.000
Foster Carers	CYP	(£0.250)	(£0.250)	£0.000
Family Safeguarding Model	CYP	(£0.100)	(£0.100)	£0.000
Edge of Care	CYP	(£0.494)	(£0.494)	£0.000
Creation of Council-Owned Residential Children's Homes	CYP	£0.000	£0.000	£0.000
Therapeutic support team for Children in Care	CYP	(£0.195)	(£0.095)	£0.100
Reconnect - step down from residential care	CYP	(£0.571)	(£0.571)	£0.000
IT Supplier Review [Digital]	CCS	(£0.065)	(£0.065)	£0.000
IT licence Review [Digital]	CCS	(£0.050)	(£0.050)	£0.000
Unit 4 Reimplementation & Transformation Review	CCS	(£0.100)	(£0.100)	£0.000
Revenues and Benefits Structure Review	CCS	(£0.317)	(£0.181)	£0.136
Contact Centre Review [Digital]	CCS	(£0.100)	£0.000	£0.100
Corporate Core Structures including homelessness and housing options review and integration of communities	CCS	(£0.328)	(£0.328)	£0.000
Fleet Function Review	OPS	(£0.070)	(£0.070)	£0.000
Car Park Tariff Review	OPS	(£0.074)	(£0.074)	£0.000
Stores Function Review	OPS	£0.000	£0.000	£0.000

Explore Advertising opportunities on highway network	OPS	(£0.050)	£0.000	£0.050
Private Sector Housing - Capitalises salaries	OPS	(£0.100)	(£0.100)	£0.000
Public Protection / Licensing Budget Realignment	OPS	(£0.016)	(£0.016)	£0.000
Private Sector Rented - Enforcement HMO Licensing	OPS	(£0.005)	(£0.005)	£0.000
Salary Sacrifice Review	NSS	(£0.050)	(£0.050)	£0.000
Organisation Delivery Model Review	NSS	(£0.257)	(£0.257)	£0.000
Contract Efficiencies	NSS	(£0.500)	(£0.500)	£0.000
Total Budget Proposals (Operational Decision)		(£8.060)	(£7.674)	£0.386
Budget Proposals (Policy Decision):				
Car Park Charges Review	OPS	(£0.055)	£0.000	£0.055
Light Reduction - Trim and Dim	OPS	£0.000		£0.000
Review Residents Permits pricing structure	OPS	(£0.145)	(£0.145)	£0.000
Total Budget Proposals (Policy Decision)		(£0.200)	(£0.145)	£0.055
TOTAL FEB 2025 APPROVED BUDGET PROPOSALS		(£8.260)	(£7.819)	£0.441
Saving Already Agreed - Development of Wider Learning Disabilities Strategy for Age 14-25 Cohort	01. HAC	(£0.180)	(£0.180)	£0.000
Progressing the Edge of Care Service Review	02. CYP	(£0.506)	(£0.506)	£0.000
Service Reviews within the Corporate Core	03. CCS	(£0.388)	(£0.388)	£0.000
TOTAL FEB 2023 APPROVED PROPOSALS		(£1.074)	(£1.074)	£0.000
Integration of Housing	04. NSS	(£2.000)	(£2.000)	£0.000
TOTAL FEB 2024 APPROVED PROPOSALS		(£2.000)	(£2.000)	£0.000
TOTAL APPROVED PROPOSALS		(£11.334)	(£10.893)	£0.441

2025/26 Forecast Capital Outturn

16. The Capital Programme is set on a three-year rolling basis and the programme for 2025/2026 to 2027/2028 was approved by Budget Council in February 2025, as follows:

2025/26	£133.255m
2026/27	£49.223m
2027/28	£25.538m

17. At the 9 July 2025 Cabinet meeting, a further £19.360m of slippage from 2024/25 was added to the 2025/26 programme, to increase the 2025/26 Capital Programme to £152.615m, with an overall borrowing requirement of £61.310m.

Capital Programme	2025/26		
	Approved Programme £m	Slippage from 2024/25 £m	Revised Programme £m
Capital Expenditure by Theme			
Regeneration and Economic Growth	£46.640	£9.724	£56.364
Highways	£28.395	£3.982	£32.377
Open Spaces / Sports and Leisure	£0.000	£0.000	£0.000
Children and Young People	£9.787	£4.067	£13.854
Property	£2.697	£0.070	£2.767
Housing General Fund	£3.652	£1.490	£5.142
Climate Change	£0.043	£0.019	£0.062
ICT	£0.000	£0.000	£0.000
Sub-total GF In-Progress	£91.214	£19.352	£110.566
Approved In-Principle	£12.149	£0.000	£12.149
New Capital Bids	£0.370	£0.000	£0.370
Sub-total GF Approved In-Principle	£12.519	£0.000	£12.519
TOTAL GF	£103.733	£19.352	£123.085
TOTAL HRA	£29.522	£0.008	£29.530
TOTAL COUNCIL EXPENDITURE	£133.255	£19.360	£152.615
Financing the Capital Programme			
Prudential Borrowing	£50.296	£11.014	£61.310
External Funding	£49.427	£8.307	£57.734
Capital Receipts	£3.971	£0.006	£3.977
General Fund RCCO	£0.039	£0.025	£0.064
TOTAL GF	£103.733	£19.352	£123.085
Prudential Borrowing	£11.252	£0.008	£11.260
External Funding	£3.092	£0.000	£3.092
Capital Receipts	£7.848	£0.000	£7.848
Housing Revenue Account DRF/MRR	£7.330	£0.000	£7.330
TOTAL HRA	£29.522	£0.008	£29.530
TOTAL COUNCIL FINANCING	£133.255	£19.360	£152.615

18. In the budget report there was a total of £12.519m of Approved in Principle schemes included within the Capital Programme. These are effectively 'pipeline' projects to be formally incorporated into the programme on receipt of detailed delivery plans and evaluation through the Council's agreed policies for incepting additional schemes into the capital programme which are overseen by the Finance Board. To date £2.129m have now been included within the Revised In-Progress Capital Programme. There remains £10.390m of Approved in Principle schemes not yet agreed to incorporate into the In-Progress Programme and progress on these through the financial year will be reported in future Cabinet updates.
19. As a result of in year reviews conducted during Quarter 1, it is proposed that the 2025/26 Capital Programme is revised down by £20.520m from £152.615m to £132.095m. This is higher than the value of the capital

programme delivered in previous years but reflects a significant volume of anticipated spend on the key regeneration schemes that are in progress this financial year.

20. The overall revised programme includes:

- updates in line with Cabinet approved new schemes (£2.537m),
- proposed in-year programme updates £7.035m to adjust for funding announcements which were received after the February 2025 Council budget meeting for which approval is sought,
- proposed reprofiling of schemes from 2025/26 into 2026/27, (£30.092m) for which approval is sought.
- Approved in Principle schemes now included in the capital programme (£2.129m) for which approval is sought.

21. The majority of the programme update relates to:

- Children and Young People – an increase of £7.883m to reflect the government's (Department for Education) grant funded Basic and High Need Capital allocations and the School Condition allocation.

22. The proposed reprofiling of £30.092m is to take account of revised best forecasts of planned timeframes for expenditure to occur over the life of the approved Capital Programme.

23. The reduction of the proposed General Fund Capital Programme to £102.565m reduces the in-year borrowing requirement by £1.898m, from £61.310m to £59.412m.

24. These adjustments will be 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.

25. The proposed changes can be seen on the table at Appendix A.

26. This revised capital programme will be used to monitor performance during 2025/26.

27. The table below shows expenditure of £16.523m (13%) of the revised programme of £132.095m has been expended at 30 June 2025. Although at Quarter 1 no year-end variances are anticipated by project managers for the in-progress schemes, 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.

28. The figures set out in the table represent the project managers' current forecast of expenditure to be achieved by the end of the financial year.

Capital Programme at Q1	2025/26				
	Proposed Revised Programme £m	Actual Spend at Q01 £m	Actual Spend at Q01 %	Forecast Spend for Year at Q01 £m	(Under) / Over Spend at Q01 £m
Capital Expenditure by Theme					
Regeneration and Economic Growth	£56.307	£11.406	20.26%	£56.307	£0.000
Highways	£19.002	£1.480	7.79%	£19.002	£0.000
Open Spaces / Sports and Leisure	£0.698	£0.565	80.95%	£0.698	£0.000
Children and Young People	£6.752	£0.240	3.55%	£6.752	£0.000
Property	£3.121	£1.470	47.10%	£3.121	£0.000
Housing General Fund	£2.851	£0.178	6.24%	£2.851	£0.000
Climate Change	£0.040	£0.016	40.00%	£0.040	£0.000
ICT	£3.404	£0.290	8.52%	£3.404	£0.000
Sub-total GF In-Progress	£92.175	£15.645	16.97%	£92.175	£0.000
Approved In-Principle	£10.020	£0.000	0.00%	£0.000	(£10.020)
New Capital Bids	£0.370	£0.000	0.00%	£0.000	(£0.370)
Sub-total GF Approved In-Principle	£10.390	£0.000	0.00%	£0.000	(£10.390)
TOTAL GF	£102.565	£15.645	15.25%	£92.175	(£10.390)
TOTAL HRA	£29.530	£0.878	3.00%	£29.530	£0.000
TOTAL COUNCIL EXPENDITURE	£132.095	£16.523	12.51%	£121.705	(£10.390)
Financing the Capital Programme					
Prudential Borrowing	£59.412			£50.471	(£8.941)
External Funding	£36.950			£35.842	(£1.108)
Capital Receipts	£6.114			£5.798	(£0.316)
General Fund RCCO	£0.089			£0.064	(£0.025)
TOTAL GF	£102.565			£92.175	(£10.390)
Prudential Borrowing	£11.260			£11.260	£0.000
External Funding	£3.092			£3.092	£0.000
Capital Receipts	£7.848			£7.848	£0.000
Housing Revenue Account DRF/MRR	£7.330			£7.330	£0.000
TOTAL HRA	£29.530			£29.530	£0.000
TOTAL COUNCIL FINANCING	£132.095			£121.705	(£10.390)

29. A Zero-Based Budgeting exercise is taking place during Quarter 2 where a deep dive review of the capital schemes is being undertaken to align them to corporate priorities and capacity and where necessary, to rephase schemes into future years of the Capital Programme to match the anticipated timing of spend.
30. 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.
31. The Council's Finance Team will continue to meet with project managers to establish expected spending for the remainder of the year.

32. Any additional amendments will be presented to Cabinet for approval in a future report and any impact of current year's achieved versus forecasted expenditure will be reflected in future years' programmes.

Prudential Indicators

33. The affordability, sustainability and prudence of the capital programme is measured through Council's Prudential Indicators (PI). The quarter one forecasts show that we remain without our prescribed limits.
34. The current forecasts for the Prudential Indicators, compared to those included in the February 2025 budget report are shown in Appendix B.

2025/26 Collection Fund Forecast

35. 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 £0.943m, with a residual surplus brought forward from 2024/25 of £0.684m. (This is the difference between the statutory estimated deficit as at 15 January 2024 and the outturn position.) This brings the overall forecast to a surplus of £1.627m. The Council's share of the surplus is £1.563m and Greater Manchester Combined Authority's share is £0.064m (for police and fire and rescue services).
36. 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
37. The main movements during the year which are resulting in a forecast surplus position of £1.627m (Bury share £1.563m) are shown below.

2025/26 Surplus/(Deficit) on Collection Fund	Council Tax £m	NNDR £m	TOTAL £m
2024/25 Surplus/(Deficit) Balance b/f	£0.918	(£0.233)	£0.684
<u>2025/26</u>			
Income	£141.589	£52.539	£194.129
Contributions towards Previous Year's Deficit:			
Bury MBC	£0.000	£0.268	£0.268
Police and Crime Commissioner	£0.000		£0.000
General Mayoral - Fire and Rescue Service	£0.000	£0.003	£0.003
Total Income	£141.589	£52.810	£194.400

Precepts and Demands on Collection Fund:			
Bury MBC	(£118.296)	(£49.770)	(£168.065)
Police and Crime Commissioner	(£15.866)		(£15.866)
General Mayoral - Fire and Rescue Service	(£7.569)	(£0.503)	(£8.072)
Disregards: Renewable Energy		£0.000	£0.000
Cost of Collection		(£0.235)	(£0.235)
Transitional Protection Payments		£0.146	£0.146
Impairment of Debts/ Appeals:			
Write-offs of Uncollectable Amounts	(£0.000)	£0.000	(£0.000)
Increase/(Decrease) in the Allowance for Impairment of Arrears	£0.793	£0.939	£1.732
Increase/(Decrease) in the Allowance for Impairment of Appeals		(£1.839)	(£1.839)
Contributions towards Previous Year's Surplus:			
Bury MBC	(£1.054)	£0.000	(£1.054)
Police and Crime Commissioner	(£0.141)		(£0.141)
General Mayoral - Fire and Rescue Service	(£0.062)	£0.000	(£0.062)
Total Expenditure	(£142.195)	(£51.262)	(£193.457)
2026-26 In-Year Surplus/(Deficit)	(£0.606)	£1.548	£0.943
Surplus/(Deficit) as at 30.06.2025	£0.312	£1.315	£1.627

Share of the 2025/26 Surplus/(Deficit)	Council Tax £m	NNDR £m	TOTAL £m
Bury MBC	£0.262	£1.302	£1.563
Police and Crime Commissioner	£0.035		£0.035
General Mayoral - Fire and Rescue Service	£0.015	£0.013	£0.029
Surplus/(Deficit) as at 31.03.2025	£0.312	£1.315	£1.627

38. The prior year outturn position was less than the forecast and as such this has had an impact on the in-year surplus figure, reducing it by £0.302m.
39. Work is ongoing to reduce arrears for both Council Tax and Business Rates which will result in reduced requirements for allowance for impairment of debt.
40. 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 8 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.
41. Work is ongoing to reduce arrears for both Council Tax and Business Rates which will result in reduced requirements for allowance for impairment of debt.
42. 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 8 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 %
2025/26 Target collection rate	97.50	97.00
2024/25	95.59	96.55
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

43. Both the reducing arrears and improved forecast collection in year have resulted in a reduction in the required contribution to the allowance for impairment.
44. Business Rates allowance for impairment for appeals is forecast to be reduced in year.

Housing Revenue Account Position

45. The HRA is forecasting to overspend by £0.839m as at Quarter 1. This variance to budget relates mainly to restructure and reduced service charge income issues within the service and will be subject to further review throughout the year. The table below demonstrates the variances.

HRA INCOME AND EXPENDITURE STATEMENT	2025/26 Original Budget	2025/26 Forecast Outturn	Variance
	£m	£m	£m
INCOME			
Dwelling Rents	(£36.731)	(£36.731)	£0.000
Non-dwelling Rents	(£0.209)	(£0.206)	£0.004
Other Charges for Services and Facilities	(£1.276)	(£1.100)	£0.176
Contributions Towards Expenditure	(£0.100)	(£0.100)	£0.000
Total Income	(£38.316)	(£38.137)	£0.179
EXPENDITURE			
Repairs and Maintenance	£8.648	£9.255	£0.607
Supervision and Management	£11.921	£11.889	(£0.032)
Special Services	£1.444	£1.429	(£0.015)
Rents, Rates, Taxes, and Other Charges	£0.200	£0.200	£0.000
Depreciation of Non-Current Assets	£7.330	£7.330	£0.000
Debt Management Expenses	£0.045	£0.045	£0.000
Movement in Provision for Bad Debts	£0.584	£0.584	£0.000
Total Expenditure	£30.171	£30.731	£0.560
HRA Services' Share of Corporate and Democratic Core	£0.400	£0.400	£0.000
Net Income or Expenditure of HRA Services	(£7.745)	(£7.005)	£0.739
Interest Payable and Similar Charges	£4.695	£4.695	£0.000
Interest and investment income	(£0.950)	(£0.850)	£0.100
(Surplus) or Deficit for the Year on HRA Services	(£3.999)	(£3.160)	£0.840

APPROPRIATIONS			
Reversal of Depreciation	(£7.330)	(£7.330)	£0.000
Transfer to the Major Repairs Reserve	£7.330	£7.330	£0.000
Repayment of Arranged Loans	£0.209	£0.209	£0.000
Capital Expenditure Funded by the HRA	£0.000	£0.000	£0.000
Total Appropriations	£0.209	£0.209	£0.000

46. The main variance relates to the Housing Property Services Restructure of which the part year impact in 25/26 is forecast to be £0.606m (7%) with full year future estimated impact of £0.979m and is anticipated to be implemented by October 2025. This will be factored into future years budgets from 2026/27 onwards as part of the overall 30-year HRA business plan.
47. Service charge income relating to Leaseholder Services is forecast to under-recover by £0.176m (13.8%). Further work is ongoing to determine the cause of the shortfall and any remedial actions necessary.
48. Interest and Investment Income is forecast to under achieve the income target by £0.100m (10.5%) and is likely due to both the budget being increased for 25/26 by £0.150m but also due to national and global economic factors. The situation will be monitored closely.
49. There are small offsetting variances in Supervision and Management and Special Services under £0.100m.
50. The HRA Capital Programme for 2025/26 is £29.530m as shown in the table below and is currently not reporting any variance.
51. Negotiations are underway with developers in relation to the HRA New Build project. It is planned to purchase 10 properties subject to build completion.
52. There is a risk that delivery of the project may slip into 2026/27, this will be closely monitored, and an update will be provided for the quarter 2 report. This project is funded from right to buy receipts and as such, any re-profiling will not impact on the need for borrowing during 2025/26.

CAPITAL PROGRAMME	2025/26 Original Budget £m	2025/26 Forecast Outturn £m	Variance £m
CAPITAL EXPENDITURE			
Major Works & Imps	£26.530	£26.530	£0.000
Other Capital Spend	£0.000	£0.000	£0.000
New Build Development Costs	£3.000	£3.000	£0.000
Demolition Costs	£0.000	£0.000	£0.000
Other Fixed Assets	£0.000	£0.000	£0.000
Total Capital Expenditure	£29.530	£29.530	£0.000

CAPITAL FINANCING			
Prudential Borrowing	(£11.260)	(£11.260)	£0.000
External Funding	(£3.092)	(£3.092)	£0.000
Capital Receipts	(£7.848)	(£7.848)	£0.000
HRA Direct Revenue Financing	£0.000	£0.000	£0.000
HRA Major Repairs Reserve	(£7.330)	(£7.330)	£0.000
Total Capital Financing	(£29.530)	(£29.530)	£0.000
Total Capital Programme	£0.000	£0.000	£0.000

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

MOVEMENT on the HRA RESERVE	2025/26 Original Budget	2025/26 Forecast Outturn	Variance
	£m	£m	£m
Balance on the HRA at the End of the Previous Reporting Period	(£15.867)	(£15.867)	£0.000
(Surplus) or Deficit for the Year on the HRA Income and Expenditure Statement	(£3.999)	(£3.160)	£0.840
Appropriations	£0.209	£0.209	£0.000
Net (Increase) or Decrease before Transfers to or from Reserves	(£3.790)	(£2.951)	£0.840
Transfers to/(from) Earmarked Reserves	£0.000	£0.000	£0.000
(Increase) or Decrease in Year on the HRA	(£3.790)	(£2.951)	£0.840
Balance on the HRA at the End of the Current Reporting Period	(£19.657)	(£18.818)	£0.840

Links with the Corporate Priorities:

1. 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:

2. 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.
3. 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 decisionmaking in the design of

policies and in the delivery of services.

Environmental Impact and Considerations:

4. 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:

5. This report is an updating report to Cabinet on the financial position at the end of Quarter 1.

Financial Implications:

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

Appendices:

- A. Capital Proposed Revised Programme table
- B. Prudential Indicator quarter one update

Background papers:

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

[Appendix 3 - 2025-26 to 2027-28 Capital Strategy](#)

[2024-25 Financial Outturn Report](#)

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

Term	Meaning
HRA	Housing Revenue Account
NNDR	National Non-Domestic Rates

Appendix A – Capital proposed Revised Programme

Capital Programme at Q01	2025/26					2026/27				2027/28
	Revised Programme (Incl. Slippage) £m	2025/26 Cabinet Approved New Schemes £m	Proposed In-Year Programme Updates £m	Proposed Re-Phasing to 2026/27 £m	Proposed Revised Programme £m	Approved Programme £m	2025/26 Cabinet Approved New Schemes £m	Proposed Re-Phasing from 2025/26 £m	Proposed Revised Programme £m	Approved Programme £m
Capital Expenditure by Theme										
Regeneration and Economic Growth	£56.364	£0.000	£0.254	(£0.311)	£56.307	£3.400	£0.000	£0.311	£3.711	£0.000
Highways	£32.377	£0.000	(£1.771)	(£11.604)	£19.002	£12.450	£0.000	£11.604	£24.054	£0.000
Open Spaces / Sports and Leisure	£0.000	£0.000	£0.698	£0.000	£0.698	£0.360	£0.000	£0.000	£0.360	£0.250
Children and Young People	£13.854	£0.000	£7.884	(£14.986)	£6.752	£10.300	£0.000	£14.986	£25.286	£0.000
Property	£2.767	£0.655	£0.286	(£0.587)	£3.121	£0.000	£0.000	£0.587	£0.587	£0.000
Housing General Fund	£5.142	£0.000	£0.291	(£2.582)	£2.851	£2.800	£0.000	£2.582	£5.382	£2.800
Climate Change	£0.062	£0.000	£0.000	(£0.022)	£0.040	£0.000	£0.000	£0.022	£0.022	£0.000
ICT	£0.000	£1.882	£1.522	£0.000	£3.404	£1.500	£1.240	£0.000	£2.740	£1.500
Sub-total GF In-Progress	£110.566	£2.537	£9.164	(£30.092)	£92.175	£30.810	£1.240	£30.092	£59.983	£4.550
Approved In-Principle	£12.149	£0.000	(£2.129)	£0.000	£10.020	£2.770	£0.000	£0.000	£2.770	£2.600
New Capital Bids	£0.370	£0.000	£0.000	£0.000	£0.370	£0.445	£0.000	£0.000	£0.445	£0.300
Sub-total GF Approved In-Principle	£12.519	£0.000	(£2.129)	£0.000	£10.390	£3.215	£0.000	£0.000	£3.215	£2.900
TOTAL GF	£123.085	£2.537	£7.035	(£30.092)	£102.565	£34.025	£1.240	£30.092	£65.357	£7.450
TOTAL HRA	£29.530	£0.000	£0.000	£0.000	£29.530	£15.858	£0.000	£0.000	£15.858	£18.638
TOTAL COUNCIL EXPENDITURE	£152.615	£2.537	£7.035	(£30.092)	£132.095	£49.883	£1.240	£30.092	£81.215	£26.088
Financing the Capital Programme										
Prudential Borrowing	£61.310	£0.040	(£1.938)	£0.000	£59.412	£8.275	£0.000	£0.000	£8.275	£3.450
External Funding	£57.734	£0.590	£8.718	(£30.092)	£36.950	£24.250	£0.000	£30.092	£54.342	£2.500
Capital Receipts	£3.977	£1.882	£0.255	£0.000	£6.114	£1.500	£1.240	£0.000	£2.740	£1.500
General Fund RCCO	£0.064	£0.025	£0.000	£0.000	£0.089	£0.000	£0.000	£0.000	£0.000	£0.000
TOTAL GF	£123.085	£2.537	£7.035	(£30.092)	£102.565	£34.025	£1.240	£30.092	£65.357	£7.450
Prudential Borrowing	£11.260	£0.000	£0.000	£0.000	£11.260	£0.000	£0.000	£0.000	£0.000	£0.000
External Funding	£3.092	£0.000	£0.000	£0.000	£3.092	£0.000	£0.000	£0.000	£0.000	£0.000
Capital Receipts	£7.848	£0.000	£0.000	£0.000	£7.848	£2.032	£0.000	£0.000	£2.032	£0.000
Housing Revenue Account DRF/MRR	£7.330	£0.000	£0.000	£0.000	£7.330	£13.826	£0.000	£0.000	£13.826	£18.638
TOTAL HRA	£29.530	£0.000	£0.000	£0.000	£29.530	£15.858	£0.000	£0.000	£15.858	£18.638
TOTAL COUNCIL FINANCING	£152.615	£2.537	£7.035	(£30.092)	£132.095	£49.883	£1.240	£30.092	£81.215	£26.088

Appendix B - Prudential Indicator quarter one update.

Treasury Management Activities Compliance

The Chief Finance Officer reports that all treasury management activities undertaken during the first quarter of 2025/26 complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy at the February 2025 Council meeting. Compliance with specific investment limits is demonstrated in table 1 below.

Table 1: Investment Limits

	2025-26	30.06.25	2025-26	Complied?
	Maximum	Actual	Limit	Yes/No
UK Government	Unlimited	£0 million	Unlimited	Yes
UK Local Authorities & Other Government Entities – except Local Authorities subject to a Section 114 notice	£20 million	£5 million	£20 million	Yes
UK Banks (Unsecured)	£25 million	£15.09 million	£25 million	Yes
UK Building Societies (Unsecured)	£20 million	£0 million	£20 million	Yes
Registered Providers (Unsecured)	£20 million	£0 million	£20 million	Yes

Treasury Management Prudential Indicators

As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 2 below.

Table 2: Debt and the Authorised Limit and Operational Boundary

	Debt at 30.06.25 £m	2025/26 Operational Boundary £m	2025-26 Authorised Limit £m	Complied? Yes/No
Borrowing	£293.978	£466.465	£476.465	YES
Other Long-term Liabilities	£0.000	£0.010	£0.010	YES
Total	£293.978	£466.475	£476.475	

Table 3: Actual financing costs as a proportion of net revenue stream

Financing costs as a proportion of net revenue stream	2025/26
	£m
Non - HRA	3.58%
HRA	13.66%

This indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

Table 4: Liability Benchmark

This indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10m required to manage day-to-day cash flow.

	Actual	Forecasts		£m						
Position at 31 March	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Loans CFR	391.3	437.6	437.9	433.5	429.0	424.4	419.7	414.9	390.0	384.4
External borrowing	-295.3	-270.4	-240.0	-235.1	-220.2	-210.3	-195.4	-144.5	-139.6	-134.7
Internal (over) borrowing	96.1	167.2	197.9	198.4	208.8	214.1	224.3	270.4	250.4	249.7
Balance sheet resources	-113.6	-92.1	-71.2	-39.3	-39.3	-40.5	-41.7	-43.0	-44.3	-45.6
Investments (new borrowing)	17.5	-75.2	-126.8	-159.1	-169.5	-173.6	-182.5	-227.4	-206.1	-204.1
Treasury investments	17.5	10.0	10.0	10.0	10.0	10.3	10.5	10.8	11.0	11.3
New borrowing	0.0	85.2	136.8	169.1	179.5	183.8	193.1	238.2	217.1	215.4
Net loans requirement	277.8	345.6	366.8	394.2	389.7	383.9	378.0	371.9	345.7	338.8
Liquidity allowance	10.0	10.0	10.0	10.0	10.0	10.3	10.5	10.8	11.0	11.3
Liability benchmark	287.8	355.6	376.8	404.2	399.7	394.2	388.5	382.7	356.7	350.1

For the liability benchmarking, the Council is showing an under borrowed position relative to its CFR.

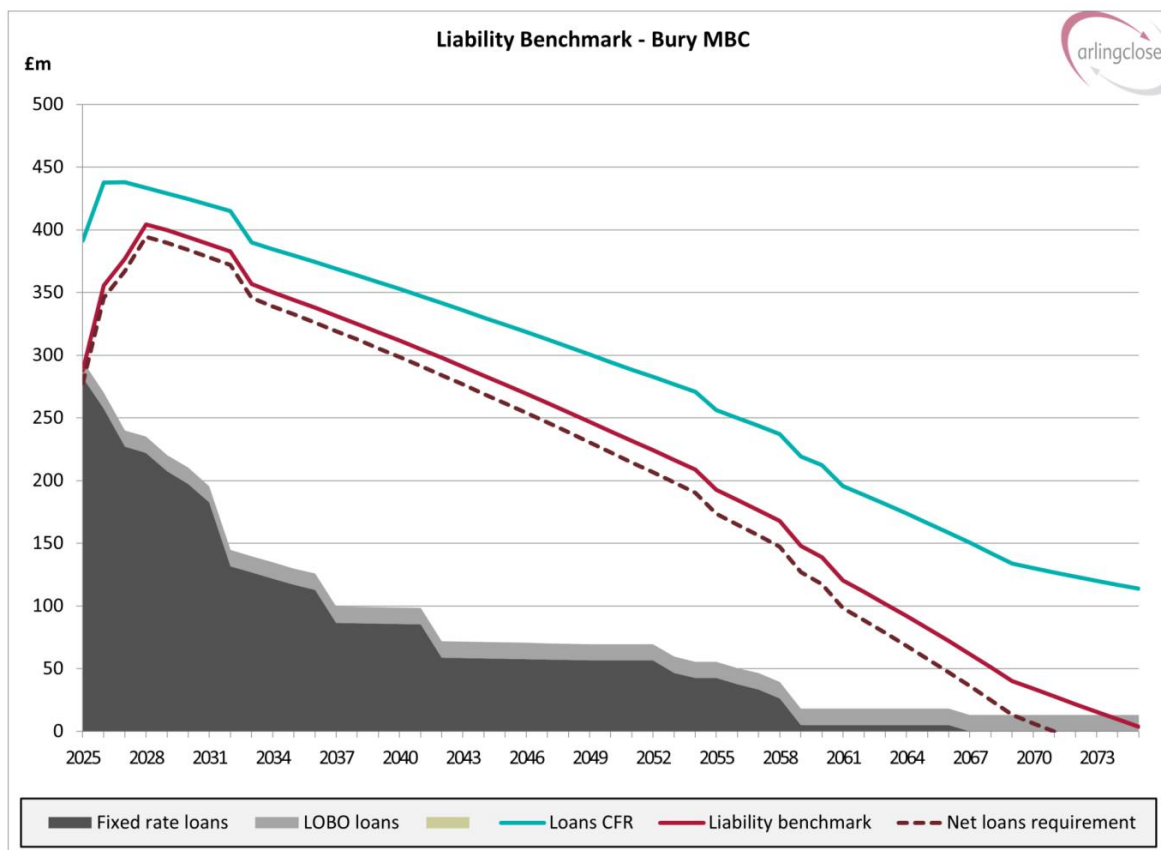


Table 5: Maturity Structure of Borrowing

This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	Upper Limit	Lower Limit	30.06.25 Actual £m	Complied?
Under 12 months	50%	0%	23.72	YES
12 months and within 24 months	50%	0%	20.55	YES
24 months and within 5 years	50%	0%	15.00	YES
5 years and within 10 years	60%	0%	65.09	YES
10 years and within 15 years	70%	0%	67.25	YES
15 years and over	80%	0%	102.38	YES