Report To:	**EXECUTIVE CABINET**
Date:	27 March 2024
Executive Member / Reporting Officer:	Cllr Jacqueline North – First Deputy (Finance, Resources & Transformation) Ashley Hughes – Director of Resources
Subject:	**PERIOD 10 2023/24 FORECAST OUTTURN – REVENUE AND CAPITAL.**

Report Summary:

This is the Period 10 monitoring report for the current financial year, showing the forecast outturn position.

The report reviews the financial position for the General Fund revenue budget, the Dedicated Schools Grant (DSG) and the Capital budget.

The underlying revenue position is an overspend of £2.073m at Period 10. The movement from month 9, where the overspend was £10.370m, is as a result of the implementation of recovery plan actions, additional corporate funding received and the release of Contingency budgets. This has been partly offset by additional pressures in Directorates, as shown in the table below:

Movement between months	£m
Month 9 underlying position	**10.370**
Recovery plan actions implemented	(2.059)
Additional pressures within Services	1.894
In year contingency released	(6.496)
Levy and other funding received	(1.549)
Minor improvements in Directorates	(0.088)
Month 10 underlying position	**2.073**

The remaining recovery plan actions to be implemented in Quarter 4 of the year total £1.279m, resulting in a residual overspend of £0.794m at month 10.

There is a forecast overspend on the DSG of £4.731m, which is a nil movement from the Period 9 position. The underlying overspend has been driven by an unprecedented growth over the summer term of Education, Health and Care Plans (EHCP) and forecast support towards the education element of Children's Social Care placement costs.

The Capital programme is forecasting an underspend in-year, with subsequent reprofiling of budgets to future years of £11.764m, bringing total reprofiling for the year to £23.649m.

Recommendations:

That Executive Cabinet is recommended to approve:

1) The acceptance of £0.164m from the Department for Levelling Up Housing and Communities relating to compensation for the Green Plant and Machinery business rates exemption (2022/23 and 2023/24). The sum is to be allocated to the Council's contingency revenue budget within the Resources Directorate.

2) The acceptance of £0.472m from the Department for Levelling Up Housing and Communities relating to business rates levy surplus as part of the annual rebalancing of Government allocations through levies generated to cover the costs of safety net payments for authorities whose income has seen a decline. The sum is to be allocated to the Council's contingency revenue budget within the Resources Directorate.

3) The acceptance of £0.900m from the Greater Manchester Combined Authority relating to the Council's allocation of £30m waste levy reserves that has been re-distributed to GM local authorities. The Council will receive £2.704m by 31 March 2025 with an estimated sum due of £0.900m in 2023/24. The sum is to be allocated to the Council's contingency revenue budget within the Resources Directorate.

4) The use of £1.621m of 2023/24 Highway Maintenance Grant to fund Reactive Maintenance spend, as allowable under grant conditions.

5) The acceptance of £0.013m from the Department for Environment Food and Rural Affairs for the Coronation Living Heritage Fund (CLHF) Grant. The sum is to be allocated to the Council's contingency revenue budget within the Resources Directorate.

6) The use of internal borrowing in the first instance to finance the demolition of Active Ashton and Active Longdendale, expected to be approximately £2m, which will subsequently be offset by capital receipts.

7) The allocation of £0.329m via the I.T. Investment Fund reserve to finance the additional cost of the Council's financial management system (Agresso) cloud migration. The three year contract award will be subject to a separate Executive Decision report with the migration due to commence in the later part of 2024/25.

8) The allocation of £2.5m from earmarked reserves to fund transformation spend to support the delivery of budget reductions within the 2024/25 MTFS.

9) To accept Electric Vehicle Revenue grant funding of £0.134m to rollout EV charge points across the borough. Date for receipt of the grant is yet to be confirmed but it is expected late March/Early April 24.

10) To accept Tranche 5 of Household Support Funding (HSF) for a further 6 months as announced by the Chancellor on 6 March 2024. On receipt of written confirmation of the grant allocation and guidance, a report will be brought forward outlining full expenditure proposals for this funding; in the meantime, however, it is recommended to continue with the issue of Free School Meals vouchers for holidays that fall during the term of the funding extension, using the new tranche of HSF, subject to this remaining in line with the grant conditions. This will ensure there are no gaps in the support provided to families eligible for free school meals during holiday periods for the period of the extension.

11) The acceptance of £0.050m grant from the Department for Levelling Up Housing and Communities relating to the UK Internal Market (UKIM) Act 2020. The grant relates to related expenditure incurred by the Council to support and enable people and businesses within the borough to trade across the UK. The sum is to be allocated to the Council's contingency revenue budget within the Resources Directorate and will be included in the period 11 budget monitoring report.

12) Approve the use of the following reserves to finance the cost of 3 fixed term posts (1 Project Manager and 2 Business Analysts) within the Resources Directorate that will support digital improvements within Children's and Waste services:
    a. £0.072m via the Children's Service Staffing Investment Reserve
    b. £0.072m via the Investment Fund Reserve

13) From 1 April 2024 approve the use of the Adult Social Care charging limits, rates and allowances as set out in the annual 'Social Care – Charging For Care and Support – Local Authority Circular' issued by the Department For Health and Social Care. The details contained within the circular support the assessment of a service user's financial contribution towards their care and support package. The annual circular is to be used each financial year thereafter as the details contained within are updated.

14) From 1 April 2024 approve the use of the Adult Social Care limits, rates and allowances as set out in the annual 'National Association Of Financial Assessment Officers' circular relating to disability related expenditure that is disregarded when assessing a service user's financial contribution towards their care and support package. The annual circular is to be used each financial year thereafter as the details contained within are updated.

15) The draw down of earmarked reserves totalling £8.790m, included in appendix 18.

That Executive Cabinet is recommended to note:

16) The forecast General Fund revenue budget position of an overspend of £2.073m, prior to any remaining recovery plan actions

17) The update on the production of recovery plans to mitigate the shortfall in budgets, with total mitigations of £7.014m identified, of which £1.279m is due to be delivered in months 11 and 12, with the remainder included in the month 10 overspend.

18) That there is a projected General Fund overspend for the Council of £0.794m following the application of actions within draft recovery plans, the release of corporate funding and the identification of additional pressures.

19) The forecast deficit on the DSG of £4.731m, which is a nil

	movement on the month 9 position.
	20) The Capital programme position of projected spend of £39.916m, following Cabinet approval to reprofile project spend of £11.764m to 2024/25.
Policy Implications:	Full Council set the approved budgets in February 2023. Budget virements from Contingency to service areas is not effecting a change to the budgets set by Full Council.
Financial Implications: **(Authorised by the Section 151 Officer)**	As contained within the report.
Legal Implications: **(Authorised by the Borough Solicitor)**	The Local Government Act 1972 (Sec 151) states that "every local authority shall make arrangements for the proper administration of their financial affairs…" Revenue monitoring is an essential part of these arrangements to provide Members with the opportunity to understand and probe the Council's financial position. Members will note that the underlying outturn position is a net deficit of £2.073m on Council budgets. As the council has a legal duty to deliver a balanced budget by the end of each financial year Members need to be content that there is a robust Medium Term plan in place to ensure that the council's longer term financial position will be balanced. Ultimately, failure to deliver a balanced budget can result in intervention by the Secretary of State. The council has a statutory responsibility to ensure that it operates with sufficient reserves in place. The legislation does not stipulate what that level should be, rather that it is the responsibility of the council's Section 151 officer to review the level of reserves and confirm that the level is sufficient. Reserves by their very nature are finite and so should only be drawn down after very careful consideration as the reserves are unlikely to be increased in the short to medium term.
Risk Management:	Associated details are specified within the report. Failure to properly manage and monitor the Council's budgets will lead to service failure and a loss of public confidence. Expenditure in excess of budgeted resources is likely to result in a call on Council reserves, which will reduce the resources available for future investment. The use and reliance on one off measures to balance the budget is not sustainable and makes it more difficult in future years to recover the budget position.
Background Papers:	Background papers relating to this report can be inspected by contacting Gemma McNamara, Interim Assistant Director of Finance (Deputy 151 Officer): e-mail: gemma.mcnamara@tameside.gov.uk

1. SUMMARY

1.1 This report presents the Council's forecast financial position across the General Fund revenue budget, DSG and Capital Programme as at January 2024.

1.2 It shows the Council's budgets, forecast outturn positions and underlying variances. The report also identifies the management actions being taken to mitigate adverse variances.

1.3 Overall, there are significant overspends on expenditure of £2.073m on the underlying position within the General Fund. This shows the total potential overspend, should actions within the recovery plans to bring the expenditure down to within budget not be taken.

1.4 As per the Council's financial regulations, Directors have a responsibility to manage within budgeted levels of expenditure and where overspends occur, Directors are required to present a recovery plan to the Chief Finance Officer (S151 officer).

1.5 At month 8, recovery plans were presented to Board, which included actions totalling £9.335m. Reviews of proposed actions have been undertaken by service areas in conjunction with Finance, which has resulted in a reduction in the total value of plans to £6.914m. The remaining actions to be delivered in year total £1.279m, with £5.635m delivered to date.

1.6 Recovery Plans are a standing agenda item at Senior Leadership Team meetings and will remain so for the duration of the financial year to ensure corporate oversight.

1.7 Any pressures or undelivered savings within Directorates by the end of the financial year will need to be resolved in the next financial year, in addition to delivering MTFS (Medium Term Financial Strategy) proposals to meet the budget gap for 2024/25.

1.8 A £4.731m overspend is forecast on the DSG fund, due mainly to unprecedented levels of growth on Education, Health and Care plans (EHCPs), at which the work on the Delivering Better Value (DBV) project is targeted. The DBV project is in the final stages of consideration with the Department for Education (DfE) for a revenue grant to support the deliverables agreed between the Council and the DfE.

1.9 The Capital budget has forecast budgets of an additional £11.764m to be reprofiled to future years in 2023/24, which brings total reprofiling requested in year to £23.649m. Following reprofiling expenditure is forecast to be £0.171m in excess of budget. Additional grants are due to be added to the programme which will offset this.

1.10 At the time of drafting this report, the Consumer Price Index (CPI) measure of inflation had held at 4% for January, following a slight increase to 4% in December, from 3.9% in November, which still represents a significant reduction over the course of the year. The Bank of England have responded to the inflationary environment with a strong monetary policy and increased the base rate 14 consecutive times from December 2021 to August 2023 with the aim of controlling inflation. The Bank of England announced on the 21st September 2023 that the base rate of interest would remain at 5.25%, and latest projections assume that it will remain at this level for the foreseeable future, rather than increasing as had been previously projected. Although the rate of inflation is significantly lower than in previous months, cost of living pressures remains significant and will continue to impact on both the costs of, and demand for, Council Services for the foreseeable future.

1.11 Members should be aware of the wider impact the macroeconomic environment is having in Local Government. Multiple local authorities have warned of pressures adversely impacting on their financial sustainability, despite the welcome increase in funding received in the Local Government Finance Settlement for this financial year. A lack of multi-year funding settlements and the sustained high level of inflation has severely impacted the level of underlying risk in the Council's financial position and made planning for the future more difficult due to the increased uncertainty around available funding.

1.12 Whilst the Council is not in a poor financial position in terms of its balance sheet at this point in time, and section 7 on reserves demonstrates this, it is clear that ongoing cost pressures make delivering the 2023/24 budget, and the future Medium Term Financial Strategy (MTFS), a difficult task. These reserves should be used to support invest to save proposals to create sustainable change and efficiencies across the Council, to support the Council's ongoing financial position.

1.13 Any decision to use reserves, above those approved at Budget Council, would require approval from the Director of Resources, as per the Financial Regulations, and significant use of reserves is a decision for Full Council through reporting to Executive Cabinet. Reserves should not be an alternative to undelivered budget reductions. Should Service overspends remain unmitigated in year, there may need to be a drawdown from unallocated reserves to bring expenditure to with budget. This is not a sustainable approach and will take the Council closer to financial distress. Budgetary control needs to be applied to reduce current expenditure, in addition to longer term recovery plans for each Directorate, which will be required to bring Services to within budget.

2. FORECAST 2023/24 REVENUE OUTTURN POSITION AT MONTH 10

2.1 The underlying Month 10 position is an overspend of £2.073m. This includes the implementation of £2.059m of recovery plan actions, additional funding received for business rates and for waste levy returned reserves of £1.549m and the release of Contingency budget of £6.496m, without these the overspend would be £12.177m. The underlying month 9 position was an overspend of £10.370m and the table below shows the movement in the position between months:

Movement between months	£m
Month 9 underlying position	**10.370**
Recovery plan actions implemented	(2.059)
Additional pressures within Services	1.894
In year contingency released	(6.496)
Levy and other funding received	(1.549)
Minor improvements in Directorates	(0.088)
Month 10 underlying position	**2.073**

2.2 These additional pressures identified, have reduced the impact of the implemented recovery plan actions on the residual overspend.

2.3 Reviews of recovery plan actions between Month 8 and Month 9 reporting, highlighted potential risks within the proposals. This has resulted in a reduction in deliverable action from £9.335m to £6.914m, of which £5.635m has been delivered (£2.059m in month 10). Outstanding actions to be implemented total £1.279m, which takes the net overspend to £0.794m at month 10.

2.4 Table 1 gives a breakdown of the position for each Directorate showing both the underlying variance and recovery plan actions, leading to the net reported overspend at month 10, and is shown in comparison to the month 9 position. The figures within the tables in the report are subject to rounding.

Table 1: Month 10 forecast monitoring position

Forecast Position	‹evenue Budget	lonth 10 orecast	nderlying Variance	overy Plan Actions	Net ariance	Net ınce Month 9	hange in ariance
	£m	£m	£m	£m	£m	£m	£m
Adults	44.339	48.442	4.103	0.000	4.103	3.102	1.001
Children's Social Care	55.837	60.794	4.958	(0.758)	4.200	3.881	0.319
Education	8.786	9.407	0.621	(0.318)	0.303	0.103	0.200
Public Health	14.352	13.752	(0.601)	0.000	(0.601)	(0.531)	(0.070)
Place	32.417	35.672	3.255	(0.203)	3.052	2.989	0.064
Chief Executive's Office	14.167	13.896	(0.272)	0.000	(0.272)	(0.248)	(0.024)
Resources	51.499	41.506	(9.993)	0.000	(9.993)	(1.954)	(8.039)
Totals	**221.397**	**223.470**	**2.073**	**(1.279)**	**0.794**	**7.342**	**(6.549)**

2.5 To provide further detail to the table above, the following table shows the movement in the underlying position for month 10 compared to month 9, which is then described in more detail for each Directorate in sections following the table.

Table 2: Month 10 movement in underlying position

Forecast Position	Month 9 Underlying Variance	Recovery plan actions achieved	Additional pressures identified	Minor movements in Directorate s	Corporate funding released	Month 10 Underlying Variance	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Adults	3.102	0.000	1.001	0.000	0.000	4.103	1.001
Children's Social Care	4.859	0.000	0.099	0.000	0.000	4.958	0.099
Education	0.698	(0.153)	0.077	0.000	0.000	0.621	(0.077)
Population Health	(0.531)	0.000	0.000	(0.070)	0.000	(0.601)	(0.070)
Place	4.444	(1.906)	0.717	0.000	0.000	3.255	(1.188)
Governance	(0.248)	0.000	0.000	(0.024)	0.000	(0.272)	(0.024)
Resources	(1.954)	0.000	0.000	0.006	(8.045)	(9.993)	(8.039)
Totals	**10.370**	**(2.059)**	**1.894**	**(0.088)**	**(8.045)**	**2.073**	**(8.297)**

Recovery Plans

2.6 All Directors have submitted draft recovery plans, which require sign off from the Director of Resources in line with the Financial Regulations and work is continuing to develop plans to meet the shortfall. At month 10, there are no recovery plans which bring the Directorate to a balanced position, and as such, no plans have been signed off by the Director of Resources.

2.7 The table below shows a summary of the £6.914m included within Directorate recovery plan, split into months, of which £5.635m has been delivered and £1.279m is expected to be delivered in February and March:

Table 3: summary of recovery plan actions by Directorate

Recovery plan actions	P7	P8	P9	P10	P11	P12	
	October	November	December	January	February	March	Total
Directorate	£m	£m	£m	£m	£m	£m	£m
Adults Social Care	0.000	(1.162)	(0.292)	0.000	0.000	0.000	**(1.454)**
Children's Social Care	0.000	0.000	(1.227)	0.000	(0.159)	(0.599)	**(1.985)**
Education	0.000	0.000	(0.077)	(0.153)	0.000	(0.318)	**(0.549)**
Place	0.000	0.000	(0.818)	(1.906)	(0.039)	(0.164)	**(2.927)**
Total	**0.000**	**(1.162)**	**(2.414)**	**(2.059)**	**(0.198)**	**(1.081)**	**(6.914)**

2.8 The following sections give an update on each Directorate position, focusing on pressures, with the recovery plans laying out the management actions to reduce the overspends.

Directorate position

Adult Services
Overspend of £4.103m, adverse movement of £1.001m
Recovery plan action of £0, no movement from period 9

Forecast Position Adults	Revenue Budget	Month 10 Forecast	Month 10 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 9	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Mental Health 18-64	2.342	2.795	0.453	0.000	0.453	0.490	(0.037)
Learning Disability 18-64	1.700	2.742	1.042	0.000	1.042	0.997	0.045
Physical Disability 18-64	1.919	2.204	0.286	0.000	0.286	0.227	0.058
Mental Health 65+	1.240	1.991	0.750	0.000	0.750	0.742	0.008
Learning Disability 65+	0.134	0.262	0.128	0.000	0.128	0.365	(0.237)
Older People 65+	12.759	17.704	4.944	0.000	4.944	4.298	0.646
Adult Services	24.245	20.744	(3.501)	0.000	(3.501)	(4.018)	0.517
Totals	**44.339**	**48.442**	**4.103**	**0.000**	**4.103**	**3.102**	**1.001**

2.9 The Adults Services Directorate has a forecast underlying overspend against budget in 2023/24 of £4.103. This is an adverse movement of £1.001m on the period 9 forecast due to additional demand since period 9.

2.10 Adult Services is currently seeing increased demand and requests for support. A snapshot taken on 23 February 2024, shows that there were 212 new contacts awaiting assessment and 175 requests to duty awaiting re-assessment. Demand levels are remaining consistent even though throughput is being achieved. These figures do not include those requests which require an urgent response within 48 hours, some of which will result in long term support. A request for support is initially triaged to ensure that any diversion to other services or self-help has already been offered. Therefore, those progressed to full assessment or reassessment it is a reasonable assumption that most will result in care and support being offered resulting in an adverse impact on the budget.

2.11 Residential and nursing care home placements net costs in each of the categories above have increased by £0.484m. The increase in cost is driven by a continuing demand increase in Older People 65+ placements of £0.646m. This is offset by a reduction in other care home placement costs of £0.163m mainly due to the resettlement of an OOB Learning Disability service user into an internal in borough accommodation provision. For context, the period 9 position reported a volume of 869 permanent placements in November 2023, the December 2023 volume was 880. The largest increase is within permanent residential placements for older people, with an increase of 18 placements since period 9.

2.12 Although additional demand costs for winter pressures are evident, the resulting pressure will not be fully known until the end of February 2024. We are currently in the peak of the winter pressures and this is shown with the increased costs in Care Home and Support at Home. The peak period is generally expected to last until the end of February and close monitoring of the additional demand will continue to track the increased numbers presenting, which may have a further impact on forecasts. It should be noted that on 27 February 2024 there were 44 people at Tameside General Hospital with no criteria to reside, some of whom will require social care support on discharge.

2.13 Care home bed availability within the borough has also decreased in the last 5 years, with the loss of 227 beds in this period, see table below. There is currently 1,405 bed capacity in borough, a reduction of 14% in the last 5 years. This has impacted on the availability of in-borough provision which can lead to more expensive out of borough placements.

Provider	Type of Service	Beds
Bowlacre Home	Residential Home	37
Carson House	Nursing Home	49
Kingsfield	Residential Home	54
Bourne House	Residential Home	33
Fairfield View Care Home	Residential Home	54
Total		**227**

2.14 Complex Care costs have increased by £0.300m due to 9 complex homecare placements, 3 complex supported accommodation placements and 2 complex day care placement and further one to one support since the last forecast at Period 6.

2.15 Mental Health supported accommodation costs have increased by £0.252m due to 6 out of borough placements since the last forecast at Period 6.

2.16 Direct Payment forecast costs have reduced by £0.165m since last reported at Period 6 due to additional clawbacks expected relating to balances on service user accounts.

2.17 Home care and support at home care provision forecast costs have increased slightly since period 9. The cost has increased by £0.076m due to hours for homecare costing a higher hourly rate than previously forecast. In addition, the related income forecasts have reduced by £0.073m based on invoices raised to date and an assumption of income that will be received via financial assessments yet to be completed.

2.18 The Directorate are carrying out a review of an equipment invoice issued to Derbyshire CC of £0.451m relating to the integrated equipment service following the demise of Clinical Commissioning Groups and related boundary change of Glossop to Derbyshire. The period 10 forecast assumes receipt of this payment.

Children's Social Care
Underlying overspend £4.958m, adverse movement of £0.99m from Month 9
Recovery plan action remaining of £0.758m
Reported Net position: £4.2m, £0.319m adverse movement

Forecast Position Children's Social Care	Revenue Budget	Month 10 Forecast	Month 10 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 9	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Child Protection & Children In Need	8.276	8.287	0.011	0.000	0.011	0.285	(0.275)
Children's Social Care Safeguarding & Quality Assurance	2.162	2.215	0.052	0.000	0.052	(0.069)	0.121
Children's Social Care Senior Management	(7.465)	(7.334)	0.131	0.000	0.131	0.273	(0.143)
Adolescent Services	3.005	2.905	(0.100)	0.000	(0.100)	(0.106)	0.006
Early Help, Early Years & Neighbourhoods	3.848	2.468	(1.381)	(0.453)	(1.834)	(1.829)	(0.004)
Cared for Children	45.728	52.005	6.277	(0.305)	5.972	5.347	0.625
Commissioning	0.282	0.250	(0.033)	0.000	(0.033)	(0.020)	(0.012)
Totals	**55.837**	**60.794**	**4.958**	**(0.758)**	**4.200**	**3.881**	**0.319**

2.19 The Children's Social Care Directorate has a forecast underlying overspend against budget in 2023/24 of £4.958m. This is an adverse movement of £0.099m compared to £4.859m reported in period 9. The total recovery plan actions are £1.985m, of which £1.227m has been delivered, with the remaining balance of £0.758m to be delivered in quarter 4. The underlying overspend is subject to mitigation by recovery plan actions currently forecast at £0.758m, resulting in a reported net forecast variance of £4.200m.

2.20 The £0.099m adverse movement reported in Period 10 is primarily due to increases in placement costs with £0.201m of this increase is a result of increases in weekly fees where providers action uplifts on a calendar year basis.

2.21 The in-depth review across the whole of Children's Social Care services, undertaken with the new Children's Senior Leadership Team is continuing to identify efficiencies and savings opportunities for 2023/24 and into future years.

2.22 Whilst Cared for Children numbers fluctuate monthly, there is an overall downward trend in the total numbers, with 669 in April 2022, reducing to 641 at the end of January 2024. However, it should be noted that there was a significant spike in numbers from June 2023 to

August 2023, where it peaked at 663. Since this point, there has been a net reduction of 22 Cared for Children with the current total now being 641 as at the end of January 2024.

2.23 Since October 2022, the number of external residential placements has risen from 57 to 78 as at August 2023 at which point the numbers have had slight fluctuations. There has been a net increase of 1 placement in December 2023 which has increased the forecast by £0.137m. The two external residential placements that ceased had an average weekly cost of £4,930, whilst the 3 new external residential placements had an average weekly cost of £5,800. The increase in external residential placements has led to a greater proportion of the total Cared for Children client base being in external residential placements which currently stand at 12.3% as of January 24.

2.24 In addition to the proportionate increase in external residential placements, it should also be noted that the average cost has increased to £5,800 per week in December 2023 compared to £5,349 per week in December 2022, representing an 8.6% increase in weekly costs in comparison to the same point last year.

2.25 The overall forecast overspend is driven significantly by the requirement for high-cost independent and residential external placements for Cared for Children, which is forecast to overspend by £6.264m. This relates both to the overall number and the increasing cost of each placement with external residential placement numbers currently at 79, compared to 67 at the start of the financial year. A weekly high-cost placement panel has been established and is attended by the Children's Senior Leadership Team to bring a consistent focus on placement planning and stepdown arrangements.

2.26 The forecast also continues to be affected by the usage of additional Social Workers supporting caseload requirements and other additional resource supporting the departmental improvement priorities, which is being funded from the Children's Services transformation reserve (£0.772m) pending formal approval.

2.27 The new Children's Services Senior Leadership Team who are supporting the improvement requirements across the Directorate. They are leading the work which is actively underway to review all service structures to implement a revised staffing structure that will deliver a more skilled permanent workforce for Children's Services. A dedicated Workforce Board has been established to support all the delivery requirements of the new structure and drive recruitment and retention, including training social workers which will deliver savings as newly qualified social workers on lower spinal points replace agency social workers.

Recovery Plan

2.28 The total recovery plan amount stands at £1.985m which does not fully balance the budget. Of the recovery plan actions, £1.227m has been achieved and reported within the underlying position. Overall, £0.758m is outstanding as at Month 10 and currently forecast to be fully recovered by the end of the financial year.

2.29 Recovery plan mitigations include achieving additional partner contributions towards the health and education elements of care packages of children above those already forecast and was originally estimated at £0.082m in-year. Additional income from health agreed at Period 8 of £0.120m has increased the full year impact of this recovery action to £0.140m.

2.30 Maximisation of available external funding is also being factored into the management recovery plan mitigations where, following an in-depth review of all grants available to Children's Social Care for 2023-24, £1.094m of grant maximisation was actioned at Period 9, with a further £0.454m expected to be achieved by year end. This includes applying reasonable overheads to grant activity and, where allowable with grant conditions, utilising grant monies to support other activity.

2.31 As part of the recovery plan actions, a project is currently underway reviewing all placements for children that may be able to be returned to home. An initial review of the eligible cohort ages 9 to 12 identified 45 placements for review where 3 have now successfully returned home. A second tranche focussing on 0–5-year-olds has identified 79 placements for review. It should be noted that not all the young people may be able to return to home due to their individual circumstances. A reduction of £0.185m is currently forecast to be achieved in 2023/24 with greater scope anticipated for full-year effect and increased numbers for 2024/25.

2.32 Further cost reductions have been factored into the recovery plan in respect to strengthened processes around the review of children entering care and through effectively managing appropriate levels of risk. A cost reduction for 2023/24 of £0.497m based on a reduction of placements and associated costs was forecast to the end of the financial year.

Education

Underlying overspend of £0.621m, favourable movement of £0.077m from Month 9
Remaining recovery plan action of £0.318m
Residual overspend position: £0.303m, adverse movement of £0.200m

Forecast Position Education	Revenue Budget	Month 10 Forecast	Month 10 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 9	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Access Services	5.323	5.742	0.420	(0.020)	0.400	0.187	0.213
Assistant Executive Director - Education	(0.144)	0.091	0.235	0.000	0.235	0.235	0.000
Education Improvement and Partnerships	0.442	0.237	(0.205)	(0.110)	(0.316)	(0.286)	(0.030)
Schools Centrally Managed	1.527	1.587	0.061	(0.064)	(0.003)	0.000	(0.004)
Special Educational Needs and Disabilities	1.633	1.749	0.116	0.000	0.116	0.091	0.025
Virtual School and College	0.006	0.001	(0.005)	(0.124)	(0.129)	(0.125)	(0.004)
Totals	**8.786**	**9.407**	**0.621**	**(0.318)**	**0.303**	**0.103**	**0.200**

2.33 The Education Directorate has a forecast underlying overspend against budget in 2023/24 of £0.621m which is a favourable movement of £0.077m from Period 9 due to the implementation of recovery plan actions. The total recovery plan actions are now £0.549m, of which £0.231m has been delivered, (£0.153m in month 10) with a further £0.318m expected to be delivered by the end of the financial year. This is an adverse movement on the total recovery plan actions of £0.123m. Delivery of the recovery plan actions will leave a net overspend of £0.303m.

2.34 The adverse movement on the recovery plan actions of £0.123m relates to a delay in the review of the eligibility for SEN transport, which will now take effect in 2024/25.

2.35 The overspend on Special Education Needs and Disability (SEND) Transport has increased by £0.077m to £0.467m. Route demand has further increased for pre-16 in borough and out of borough provision. Information in the route increases is included in the below table:

Category	Estimated No. Of Routes	Oct 23 No. Of Routes	Variation to	Jan 24 No. of Routes	Additiona l Increase

	from Autumn		Estimated Routes		
Pre-16 to in borough provision	136	142	6	157	15
Pre-16 to out of borough provision	74	79	5	89	10
Post-16 in or out of borough provision	31	29	-2	31	2
GMPF Yellow Bus	1	1	0	1	0
Internal Transport	3	3	0	3	0
Transport of Pupils - Personal Budgets	24	22	-2	24	2
Total	**269**	**276**	**7**	**305**	**29**

2.36 As a result of the increased number of EHCP requests, there is an increase this year in the use of Associates (private practice EPs) on the Educational Psychology Service for the delivery of statutory assessments producing a pressure of £0.297m. The increased demand was not reflected in the budget and although work is underway to reduce the number of EHCPs, there is still an increased demand on this service. The service is currently working on a strategy to meet demand now and to support future needs. The shortage of Educational Psychologists and the loss of professionals to private practice is a national issue.

Recovery plans

2.37 The updated recovery plan identifies outstanding actions of £0.318m. This leaves a residual overspend position of £0.103m in the Education Directorate.

2.38 Since Period 9, £0.153m of recovery plan actions have been actioned in the underlying position. Grant maximisation of £0.106m, additional penalty notice income of £0.030m, a review of the school performance service of £0.015m and reduced demand on Teachers Pension early retirement costs of £0.002m have been reflected. £0.123m of recovery plan actions relating to SEN transport eligibility has been removed due to delays in reviews of plans taking place.

Place

Underlying overspend of £3.255m, £1.188m favourable movement.
Recovery plan action of £0.203m is forecast for the remainder of the year
Residual overspend position: £3.052m, £0.064m adverse movement.

Forecast Position Place	Revenue Budget	Month 10 Forecast	Month 10 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 9	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Operations and Neighbourhoods	18.888	18.584	(0.304)	(0.105)	(0.409)	(0.520)	0.111
Growth	0.163	(0.213)	(0.375)	0.000	(0.375)	(0.375)	(0.000)
Investment, Development and Housing	4.777	6.540	1.763	(0.043)	1.720	1.401	0.319
Planning and Transportation	0.782	0.833	0.051	0.000	0.051	(0.028)	0.079
Strategic Property	7.807	9.928	2.121	(0.055)	2.066	2.511	(0.445)
Totals	**32.417**	**35.672**	**3.255**	**(0.203)**	**3.052**	**2.989**	**0.064**

2.39 The Place Directorate has a forecast underlying overspend against budget in 2023/24 of

£3.255m which is a favourable movement of £1.188m from Period 9. The total recovery plan actions for the Directorate total £2.927m, of which £2.724m has been delivered, with a further £0.203m expected to be delivered by the end of the financial year. Delivery of the remaining recovery plan actions will leave a forecast net overspend of £3.052m, which is an adverse movement of £0.064m since period 9.

2.40 Costs relating to the tornado of 27th December 2023 are still being quantified as remediation work continues. Although there is the possibility of reimbursement of costs through the Bellwin scheme, it should be noted that there is a minimum threshold for reimbursement of £0.437m, up to which, no reimbursement of costs will be provided.

2.41 As a result of tornado damage, there is an emerging financial risk associated with a Reservoir in the Carbrook area, which is owned by the Council. A number of fallen trees have caused significant damage to the spill way leading from the reservoir. The Greenspace and Engineers teams are awaiting quotes from specialist contractors for a further stage of tree clearance work to allow full inspection. Following the inspection and risk assessment it is likely that significant work will be required to repair the damaged spill way.

2.42 Aside from movements in forecast variations due to recovery plan actions, there have been some material changes across the Directorate. This includes those areas identified in previous reports as those facing financial challenges, primarily driven by cost and demand pressures, non-delivery of prior year savings and the partial non-delivery of savings in 2023/24.

Operations and Neighbourhoods; £0.409m forecast underspend, adverse movement of £0.111m.

2.43 There are ongoing cost pressures in Waste Services as detailed in previous reports and income shortfalls in Parking and Bereavement Services. These are being offset by underspends in Operations and Greenspace and Cultural and Customer Services. The key reasons for the movement since the previous period are summarised below;

2.44 **Bereavement Services; £0.104m forecast overspend, adverse movement of £0.108m.** There has been a reduction in the income forecast of £0.080m since month 9. Death rates have reduced for the period April – January compared to the same period in the previous 12 months. This is largely due to the consequence of COVID-19, the profile of those numbers that would usually be dying during 2023/24 has reduced as many of those people passed away slightly earlier. We are now seeing the effect of this on death rates across Greater Manchester. The impact of this is felt largely in Cremation Services, the table below shows the reduction in those services for the period April 2023 to January 2024 compared to the equivalent period in the preceding year.

The fee for a Cremation is £825, therefore, the reductions outlined below represent a loss of income of £0.108m in 2023/24. An element of this was already factored into previous forecast, however the trend has continued resulting in a further reduction in the income forecast of £0.080m.

Cremation Service Reductions	
Comparison 22/23 v 23/24	1 April 23 – 31 Jan 2024
Salford	-143
Oldham	-109
Trafford	-200
Tameside	-131
Manchester	-10
Wigan	-166
Stockport	86
Rochdale	-81

Engineers and Highways forecast underspend of £0.257m, favourable movement of £0.259m.

2.45 The service is reporting a forecast underspend, predominantly due to vacant posts pending full implementation of the approved restructure. However, the position assumes use of £1.261m of Highway Maintenance grant funding to supplement the core budget for reactive repairs and risk management works. Despite this, the budget for reactive maintenance is forecasting an overspend of £0.563m due to further expected deteriorations in the network aligned to severe weather conditions and a forecast of further adverse conditions before the end of the financial year. This is unsustainable and the service are currently working up a longer term Highway Investment Strategy which will seek capital investment for planned, proactive works in line with good Asset Management principles. It is envisaged that this will result in a reduction in reactive spend in future years whilst improving the overall quality of the highway network.

Parking Services £0.303m forecast overspend, adverse movement of £0.447m.

2.46 For 23/24, the pay and display income target is greater than the level of income achieved in 22/23 by £0.351m (30.5%). The service has sought to meet this target through the upgrade of pay and display machines, to allow for a wider range of payment methods, and the revision of the car parking tariffs across the borough, and although an increase in income is being delivered, there is still a gap, resulting in the forecast overspend. The table below shows a breakdown of the income target and the forecast position.

	£m
23/24 Pay & Display (P&D) Income Target	(1.436)
Additional income needed to cover net enforcement costs in excess of budget	(0.065)
Total Income Target	**(1.501)**
Initial Forecast P&D Income (22/23 Outturn)	(1.150)
Additional income generated through improvements to machines and tariff increases	(0.142)
Additional income generated from review of contract passes and permits	(0.025)
Forecast Variation	**0.184**

The remainder of the forecast overspend on the Service relates to expenditure budgets, the transactional costs associated with taking payments via the new machines is £0.065m, this fluctuates dependant on volume but is a direct cost attributable to income generation.

The upgrade in pay and display machines and review of tariffs has generated an additional £0.142m out of the required £0.351m, but as the implementation of the improvements occurred in October, the impact has only been realised in the second half of 23/24. The table below shows the comparison between 22/23 and 23/24, with the service expecting to deliver a 12% increase in pay and display income across the full year compared to 22/23. For the period since the improvements were introduced the actual increase equates to 27%.

	Full Year £m	October – March £m
22/23 Actual P&D Income	(1.150)	(0.305)
23/24 Forecast P&D Income	(1.292)	(0.388)
Increase Between Years	**(0.142)**	**(0.083)**
% Increase	12%	27%

In addition, there was an expectation of further income growth of £0.150m included on the Directorate recovery plan, this has now been removed due to the pressures outlined above resulting in an overall adverse movement for Parking Services of £0.447m.

The service is pursuing further developments into 24/25 to bridge the gap, cover the additional essential costs within the service and deliver contributions towards highways management works. It is therefore expected that the position in 24/25 will be further improved.

Cultural and Customer Services £0.441m forecast underspend, favourable movement of £0.358m;

2.47 Costs of £0.259m associated with Debt Advice services and furniture costs previously funded by Tameside Resettlement Scheme budgets are now funded by Household Support Fund grant in line with grant conditions. The remainder of the movement since P9 is comprised of continued reductions in non-essential expenditure across the service.

2.48 **Strategic Property £2.066m forecast overspend, favourable movement of £0.455m.** Strategic Property is forecasting a £2.066m overspend at month 10, after recovery plan actions still to be delivered of £0.055m. The key areas of overspend are related to the Facilities Management contract, building reactive maintenance and utilities. There has been a favourable movement since month 9 of £0.445m as set out below.

2.49 The Estates team has been able to finalise lease arrangements with some external occupiers of corporate buildings, along with rental income for advertising hoarding resulting in one-off backdated payments for rent and utilities contributions totalling £0.322m which has not previously been forecast. The annual rent and utilities contribution for 23/24 is expected to generate an additional £0.191m.

2.50 In the current year, budget reductions against Facilities Management total £0.320m, of which £0.290m had previously been forecasted to be achieved. The service has now confirmed that a further £0.055m of one-off savings will be realised in total. Work is ongoing to confirm further savings to fully deliver the £0.320m on a recurrent basis.

2.51 During 23/24, a water leak was identified at Oxford Park resulting in an overspend of £0.047m. The service has worked to fix the leaks as quickly as possible and, for a couple of other identified leaks elsewhere have received some credits back to offset the costs. A further overspend of £0.029m is currently forecast against a site where there is a shared water meter between a Council site and a Council building that is leased out. Work is underway to resolve the situation but at this stage it is unclear whether any of the additional costs will be able to be recovered.

Investment, Development and Housing £1.720m overspend, adverse movement of £0.319m.

2.52 Investment, Development and Housing is forecasting an overspend of £1.720m after recovery plan actions still to be delivered of £0.043m. There is a net underspend of £0.372m in Employment, Economy and Skills as a result of utilising external grants to support core costs. In homelessness, the £2.933m overspend on Temporary Accommodation (TA), as detailed below, is partially offset by the use of external grants to fund core costs, resulting in a net overspend of £2.068m.

Temporary Accommodation (TA) £2.933m forecast overspend, adverse movement of £0.226m

2.53 New placements in TA have continued to increase, with 223 households in nightly paid temporary accommodation, an increase from 209 at month 9. The number of ended TA placements has increased from 46 in November to 86 in January, however some of this is linked to households entering mainstream hotel accommodation, which generally has a higher nightly rate, for a short period before moving on to the usual TA providers. Overall, there has been a net increase of households in nightly paid TA.

2.54 The net increase of households in nightly paid TA was expected following a review of seasonal trend data, however the levels of growth have been higher than previously forecast. This increase is expected to continue throughout the final quarter of 23/24.

2.55 The increased use of more expensive, mainstream hotel accommodation is linked to the overall high level of demand for TA. As more households are in TA, the availability of B&Bs has reduced, resulting in increased need to utilise mainstream hotel accommodation. This is contributing significantly to the increase in forecast.

2.56 The length of stay in TA is slowly starting to reduce, with the average now being 141 nights. This is a positive movement but highlights that it is demand driving the significant forecast pressure, both through the numbers of households in TA and the need to utilise more costly accommodation.

2.57 As part of the recovery plan, the service is seeking to utilise Homelessness Prevention Funding to increase the numbers of prevention officers. This is expected to reduce the number of households currently in TA, as well as reducing the numbers entering the system. These posts are due out to advert imminently on a fixed term basis but until these are in post, reductions to costs will be limited.

Recovery Plan

2.58 The Directorate had previously identified £2.805m of mitigating actions in October 2023 as part of its recovery plan. However, it should be noted that there have been changes in terms of expected delivery in-year with some proposals being removed and others added in order to mitigate. Of this, £2.573m has been delivered and is factored into the underlying variance at period 10, with a further £0.203m to be delivered by the end of the financial year. The Directorate are continuing to explore opportunities for further mitigations to reduce the forecast overspend, including further use of grant funding to support core business where allowable under grant conditions.

Public Health
Underlying underspend of £0.601m, a favourable movement of £0.070m

Forecast Position Public Health	Revenue Budget	Month 10 Forecast	Month 10 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 9	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Public Health	14.352	13.752	(0.601)	0.000	(0.601)	(0.531)	(0.070)
Totals	**14.352**	**13.752**	**(0.601)**	**0.000**	**(0.601)**	**(0.531)**	**(0.070)**

2.59 Public Health has an underlying forecast underspend of £0.601m, which represents a favourable movement of £0.070m on the month 9 position. This is predominantly due to reduced pay and equipment forecasts within the Be Well Health Improvement Service

Resources – Underlying underspend £9.993m, £8.039m favourable movement

Forecast Position Resources	Revenue Budget	Month 10 Forecast	Month 10 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 9	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Exchequer	1.456	2.606	1.149	0.000	1.149	1.066	0.083
Financial Management	3.546	3.654	0.107	0.000	0.107	0.217	(0.110)
Assurance	1.913	1.899	(0.014)	0.000	(0.014)	(0.005)	(0.009)
Digital Tameside	4.774	4.615	(0.159)	0.000	(0.159)	(0.144)	(0.015)
Levies	31.796	31.460	(0.335)	0.000	(0.335)	(0.344)	0.009
Contingency	4.690	(3.355)	(8.045)	0.000	(8.045)	0.000	(8.045)
Investment and Financing	3.324	0.628	(2.696)	0.000	(2.696)	(2.744)	0.048
Totals	**51.499**	**41.506**	**(9.993)**	**0.000**	**(9.993)**	**(1.954)**	**(8.039)**

2.60 Resources has an underlying forecast underspend of £9.993m, which represents a favourable movement of £8.039m on the month 9 position.

2.61 There is a requirement to increase the provision for the estimated non-recovery of prior year court cost fees £0.328m within Exchequer Services. This movement is supported by an improvement of £0.217m relating to the forecast of in year court fee income due. The net impact has resulted in an adverse movement of £0.083m.

2.62 The predominant improvement within Financial Management relates to the financing of strategic support (£0.065m) provided on business rates growth. The commissioned support will be financed via Council reserves rather than the base revenue budget. The support provided will deliver business rates growth for the Council in the current financial year.

2.63 Despite the Bank of England base interest rate has remaining unchanged at 5.25% following the Bank of England's Monetary Policy Committee announcement on 31 January 2024, there is a forecast adverse movement of interest earned £0.048m within investments and financing. This is due to a reduced forecast level of monthly cash to the end of the financial year when compared to previous forecasts. The forecast is still significantly in excess of budget, and whilst cash levels have reduced in recent months, they remain broadly as anticipated early in the financial year.

2.64 The Council will receive additional in year funding of £1.549m. This funding is in relation to Business Rates Green Plan Machinery Compensation £0.164m, Business Rates Levy Surplus £0.472m and the Council's allocation of £30m waste levy reserves that has been re-distributed to GM local authorities. The Council will receive £2.704m by 31 March 2025 with an estimated sum due of £0.900m in 2023/24. The Council has also received £0.013m for the Coronation Heritage Living Fund from the Department for Environment Food and Rural Affairs. The £1.549m of additional funding will support the overall Council in-year position.

2.65 £15.419m has been earmarked in Contingency for directorate inflation and growth. £6.496m has now been released at month 10 to support the in-year overspend position. Together with the £1.549m of additional funding detailed above, the Contingency position is now £8.045m underspent. Throughout 2023/24 £8.452m has been approved for transfer to Directorates as detailed in previous monthly monitoring reports.

Chief Executives Office – Underlying underspend £0.272m, £0.024m favourable movement

Forecast Position Chief Executive's Office	Revenue Budget	Month 10 Forecast	Month 10 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 9	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Governance	4.388	4.343	(0.045)	0.000	(0.045)	(0.051)	0.006
Policy, Performance and Communications	1.655	1.586	(0.069)	0.000	(0.069)	(0.070)	0.001
People and Workforce Dev	2.887	2.801	(0.085)	0.000	(0.085)	(0.068)	(0.018)
Transformation	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Corporate Costs	5.238	5.166	(0.072)	0.000	(0.072)	(0.059)	(0.013)
Totals	**14.167**	**13.896**	**(0.272)**	**0.000**	**(0.272)**	**(0.248)**	**(0.024)**

2.66 The Chief Executive's office has an underlying forecast underspend of £0.272m, which represents a favourable movement of £0.024m on the month 9 position.

2.67 There are again no significant variations to report during this period with the improvement relating to adjustments to pay forecasts within services.

3. SAVINGS PROGRAMME 2023/24

3.1 Detail of the delivery status of savings by Directorate of the 2023/24 savings programme, included within the original budget, is shown in Table 9 below:

Table 9: Saving Programme in 2023/24 Budget at month 10

2023/24 Budget Reductions	Opening Target £m	Red £m	Amber £m	Green £m	Achieved £m	% of Red and Amber savings of total
Adults	2.550	1.035	0.000	0.262	1.253	41%
Children's Social Care	3.652	2.097	0.865	0.690	0.000	81%
Education	0.318	0.050	0.079	0.189	0.000	41%
Population Health	0.155	0.000	0.000	0.000	0.155	0%
Place	2.103	0.951	0.136	0.063	0.953	52%
Governance	0.000	0.000	0.000	0.000	0.000	0%
Resources	1.776	0.000	0.000	0.296	1.480	0%
Total	**10.554**	**4.133**	**1.080**	**1.500**	**3.841**	**49.4%**
%		**39.2%**	**10.2%**	**14.2%**	**36.4%**	

3.2 At month 10, 50.6% of the programme is considered to be achieved, or on track to be delivered, a total of £5.341m. A further £1.080m is classed as Amber, with some issues or delays in delivery with £4.133m or 39.2%, with serious concerns of delivery (red rated savings are detailed in Table 10). These savings are discussed with Directors and their management teams as part of the STAR Chamber process that has been implemented to give a key focus on savings delivery.

Table 10: Red rated savings at month 10

Directorate	Scheme	Ref No.	Opening Target £m	Red £m
Adults	Non-Residential Client Income – Realignment of Fees & Charges for Support at Home	AD1	0.550	0.496
Adults	Support individuals in a way that increases independence and reduces reliance on services	AD3	0.750	0.539
Children's	SEND Transport - Review transport policy and thresholds	CH3	0.050	0.050
Children's	A further reduction in the number of Children requiring Care of the Local Authority	CH10	0.450	0.450
Children's	Remodelling of Early Help Offer	CH11	0.865	0.665
Children's	Repurposing and opening St Lawrence Road	CH15	0.702	0.702
Children's	Management Review	CH20	0.280	0.280
Place	Pre-Application Planning Fees	PL2	0.030	0.027
Place	Estates Rationalisation	PL3	0.920	0.553
Place	Corporate Building Room Hire Income Review	PL4	0.010	0.010
Place	Increase land charges fees as of 1st January 2023	PL5	0.057	0.057
Place	Industrial Estate Unit Rental / Change in Use - Plantation Unit 7	PL6	0.130	0.047
Place	Street Lighting - reduction in energy consumption (reduce brightness)	PL10	0.108	0.108

Place	Markets - Full cost recovery on service charge to stall holders	PL11	0.067	0.067
Place	Car parking review	PL12	0.052	0.052
Place	Reduction in parking enforcement contract costs based on reduced service spec (based on 5% reduction)	PL15	0.030	0.030
	Total		**5.051**	**4.133**

4. DEDICATED SCHOOLS GRANT

4.1 The in-year forecast position on the overall DSG remains a deficit of £4.731m, predominantly relating to the ongoing pressure on High Needs. Details of the position on each funding block are included in Table 11 below.

Table 11: Dedicated Service Grant (DSG) 2023/24 Forecast Deficit

DSG Funding Blocks	DSG Settlement incl. Block Transfer £m	Month 10 Forecast Distribution /Expenditure £m	Month 10 Forecast (Surplus) / Deficit £m	Month 9 Forecast (Surplus) / Deficit £m	Change in Forecast (Surplus) / Deficit £m
Schools Block	200.358	200.342	(0.016)	(0.016)	0.000
Central School Services Block	1.249	1.249	0.000	0.000	0.000
High Needs Block	37.604	43.088	5.484	5.484	0.000
Early Years Block	18.062	17.325	(0.737)	(0.737)	0.000
Total	**257.273**	**262.003**	**4.731**	**4.731**	**0.000**

Note: the above table includes rounding

4.2 The surplus on the schools block mainly relates to unallocated growth funding.

4.3 The high needs budget continues to be under significant pressure. The majority of growth in the High Needs block is across the mainstream and independent sector. There is also an anticipated contribution to children's social care placements.

4.4 The forecast is based on the actual funding allocated to providers for funded hours for the summer and autumn terms and estimated hours of uptake for the spring term. There has been a reduction in uptake of hours for 3 and 4 year olds, mainly due to falling birth rates which resulted in a reduction in the forecast expenditure. However, there has been a gradual increase in 2 year old uptake which has led to revised estimates for the spring term and an increase the forecast expenditure. There will be a funding adjustment based on the Spring Term census data and if the estimates are accurate, there will be a clawback of funds which will reduce the anticipated surplus.

4.5 The Early Years Supplementary Grant (EYSG) has also been updated for the actual distribution of funding for the Autumn term and estimated distribution, based on estimated participation, for the Spring Term. This has increased the forecast overspend. Any overspend will be met from the forecast underspend on the early years block.

4.6 The cumulative DSG position at the end of 2022/23 was a deficit of £3.306m. The forecast closing balance on the DSG at the end of the current financial year is £8.100m. There is currently a statutory override in place for the DSG from 2023-24 to 2025-26 which means any DSG deficits are not included in the council's main revenue budgets. Beyond this period any deficit would become recognised in the council's revenue position.

5 CAPITAL PROGRAMME

5.1 A full monitoring report is produced for Capital each quarter, and the month 10 report updates on significant reprofiling of budgets into 2024/25. A full capital update is provided to Strategic Planning and Capital Monitoring panel, with the next meeting scheduled for March. As was first introduced in month 6, a single report has been produced, that includes highlight reports for each project as part of the appendices. As this report is also being presented to Board and to avoid duplication, this report contains only a top-level summary of the Capital programme at month 10.

5.2 The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2023/24 financial year. In addition to fully approved projects the Programme also includes earmarked schemes which have been added to the programme but not specifically allocated yet, for example contingency budgets.

5.3 The Council's Capital Programme for 2023/24 to 2025/26 contains £116.321m of schemes, of which £111.493m are fully approved and £4.828m are earmarked. A major risk facing the programme is the ongoing inflationary and supply pressures in the construction sector, which limits the affordability of projects. This is worsened where projects are delayed into future years which means the effects of inflation are further magnified.

5.4 Table 12 overleaf shows the full Capital Programme by Service area.

Table 12 – Capital Programme 2023/24 – 2025/26

	2023/24	2024/25	2025/26	Earmarked	Total
	£m	£m	£m	£m	£m
Place: Property, Development and Planning					
Development & Investment	8.718	34.702	8.007	1.542	49.680
Corporate Landlord	0.993	-	-	-	0.993
Vision Tameside	0.073	-	-	-	0.073
Active Tameside	0.102	-	-	-	0.102
Place: Operations and Neighbourhoods					
Engineers, Highways & Traffic Management	8.046	1.195	-	-	9.241
Operations & Greenspace	1.176	0.200	-	-	1.376
Waste & Fleet Management	-	0.826	-	-	0.826
Estates	0.057	-	-	0.046	0.103
Community Safety and Homelessness	0.328	-	-	-	0.328
Management & Operations	0.250	0.478	-	-	0.728
Children					
School Related Works	26.567	8.476	-	-	35.043
Children's Social Care Safeguarding & Quality Assurance	1.234	2.612	-	-	3.846
Adults Social Care					
Commissioning & Homes for All	3.933	6.757	0.020	-	10.710
Governance					
Governance	0.032	-	-	0.440	0.472
Total (excl. Contingency)	**51.509**	**51.957**	**8.027**	**2.028**	**113.521**
Contingency	-	-	-	2.800	2.800
Total	**51.509**	**51.957**	**8.027**	**4.828**	**116.321**

The total approved budget for 2023/24 is £51.509, as outlined in Table 13 overleaf.

Table 13 – Capital Expenditure by Service Area

	2023/24 Budget	Actual to Date	Projected Outturn	Projected Outturn Variation	Reprofiling (to) / from future years	Projected Variation after reprofiling
	£m	£m	£m	£m	£m	£m
Place: Property, Development and Planning						
Development & Investment	8.718	3.004	4.962	(3.756)	(3.735)	(0.021)
Corporate Landlord	0.993	0.228	0.668	(0.325)	(0.277)	(0.048)
Vision Tameside	0.073	-	0.073	-	-	-
Active Tameside	0.102	0.103	0.103	0.001	-	0.001
Place: Operations and Neighbourhoods						
Engineers	8.046	3.045	4.442	(3.604)	(2.320)	(1.284)
Ops & Greenspace	1.176	0.411	0.819	(0.357)	(0.393)	0.036
Fleet Replacement	0.000	-	-	-	-	-
Estates	0.057	0.088	0.103	0.046	-	0.046
Community Safety & Homelessness	0.328	-	-	(0.328)	(0.328)	-
Management & Ops	0.250	0.073	0.250	-	-	-
Children						
Education	26.567	19.166	24.577	(1.990)	(3.433)	1.443
Children's Social Care	1.234	0.222	0.365	(0.869)	(0.869)	-
Resources						
Digital Tameside	-	-	-	-	-	-
Adults Social Care						
Adults	3.933	1.895	3.524	(0.409)	(0.409)	-
Governance						
Governance	0.032	0.030	0.030	(0.002)	-	(0.002)
Total	**51.509**	**28.265**	**39.916**	**(11.593)**	**(11.764)**	**0.171**

5.5 Services are projecting expenditure of £11.593m less than the current capital budget for the year. Reprofiling of £11.764m has been requested.

Budget reprofiling of projects

5.6 Total reprofiling of £11.764m is requested at month 10, as illustrated in table 13. Detailed narratives around the variations are provided within the separate report for Capital Monitoring and the associated highlight reports.

Full Scheme Variations

5.7 Along with the in-year variations above there are a number of schemes forecasting lifetime variations as follows:

Education

5.8 **Devolved Schools Capital - £1.446m** - Schools undertake their own capital projects which they fund from revenue (as a revenue contribution to capital). At present £0.559m of requests for revenue funded projects have been submitted which need to be added to the Capital Programme. A new funding stream for schools, Connect the Classroom, has been introduced to improve internet speed in schools. To date, Tameside maintained schools have bid and been granted £0.880m to upgrade their networks in 2023/24. This needs to be added to the Capital Programme.

Engineers

5.9 **Highways Maintenance – (£1.262m)** - £1.262m of Highway Maintenance Grant is to be reallocated to support the cost pressures on the Highways Reactive Maintenance revenue budget, as allowable under the grant conditions. Cost pressures are driven by significant increases in material prices and a general deterioration in the highway network.

Capital Financing

5.10 The Council has limited resources available to fund Capital Expenditure. On 29 September 2021, Executive Cabinet approved the allocation of the remaining capital reserves to immediate priorities. No further capital projects will be approved in the short term unless the schemes are fully funded from external sources. Any additional priority schemes that are put forward for consideration and that are not fully grant funded will need to be evaluated, costed and subject to separate Member approval. There will be a revenue cost for any new capital schemes that are not fully funded from alternative sources and the implications of this will need to be carefully considered, given the on-going pressures on the revenue budget.

5.11 A number of schemes identified as priority for future investment include revenue generation or invest to save elements, where borrowing may be appropriate to facilitate investment. Borrowing to fund Capital Investment has revenue consequences as budget is required to fund interest and repayment of loans, and therefore any such schemes will need to be subject to full business cases. The Council will need a sustainable financial plan for the revenue budget before borrowing commitments are agreed.

Table 14: Financing of the Full Capital Programme

Funding Source	Approved Schemes			Earmarked Schemes	Total
	2023/24	Future Years	Total		
	£m	£m	£m	£m	£m
Grants & Contributions	45.431	52.800	**98.231**	-	**98.231**
Revenue Contributions	0.492	0.157	**0.649**	-	**0.649**
Prudential Borrowing	0.031	2.415	**2.446**	-	**2.446**
Receipts & Reserves	5.555	4.612	**10.167**	4.828	**14.995**
Total	**51.509**	**59.984**	**111.493**	**4.828**	**116.321**

Capital Reserves and Receipts

5.12 Capital reserves of £1.511m are available, of this £1.489m related to reserves held for specific schemes, Godley Green Garden Village and Stalybridge Heritage Action Zone. The remaining £0.022m is held in a general capital reserve.

Table 15 Capital Reserves

	Available Capital Reserves
	£000
Specific Capital Reserves	1,489
General Capital Reserve	22
Total Capital Reserves	**1,511**

5.13 The low level of capital reserves is in part consequence of the low level of capital receipts available in prior years. In the current year, capital receipts total £2.051m.

5.14 Approved and earmarked schemes already in the capital programme for future years are reliant on £14.995m of capital receipts and reserves and therefore securing capital receipts will be vital to ensure the programme can be funded. Careful monitoring of progress in realising capital receipts must be undertaken to ensure that there is timely and pro-active disposal of assets and that the actual receipts are in line with projections.

5.15 The latest disposal programme forecasts £22.385m of receipts from 2023/24 to 2025/26. Disposals have been RAG rated to identify the level of risk associated with the realisation of the capital receipt. Of the total anticipated capital receipts in 2023/24, £1.796m have completed, none are rated as 'green', £2.278m are rated as 'amber' with conditions to be satisfied, and none are rated as 'red' with significant uncertainty over delivery. There is a further £5.431m of projected capital receipts in 2024/25 and £12.880m in 2025/26. Of the full three-year disposal programme, £17.151m is rated amber and £3.438m is rated red.

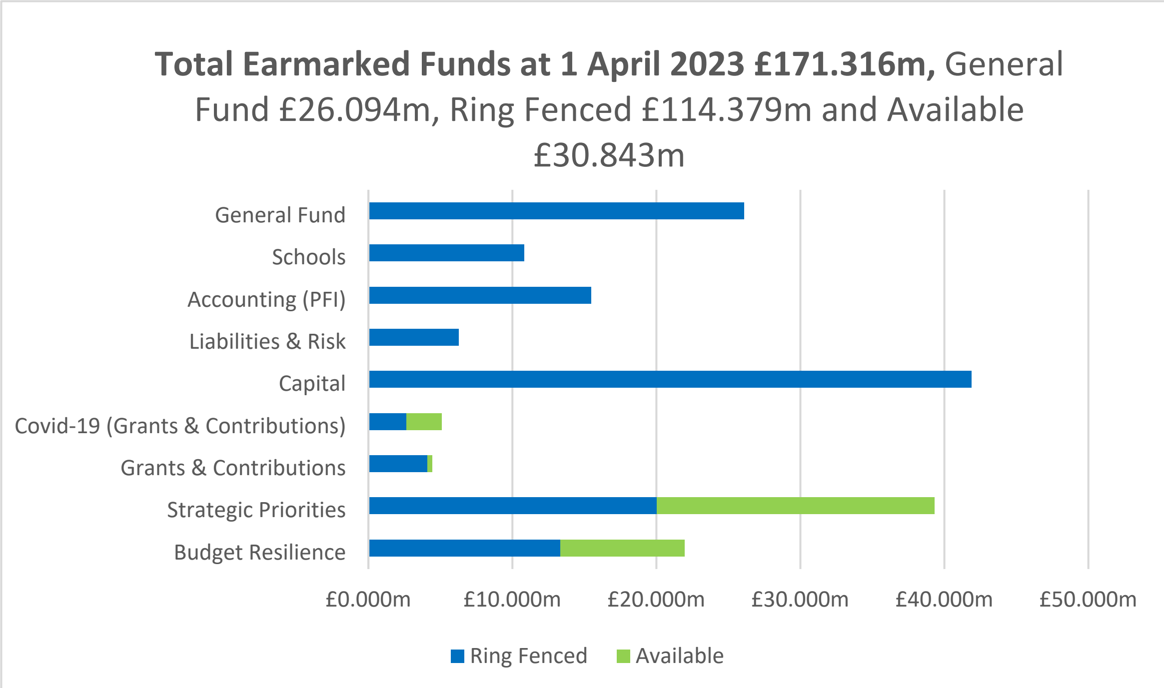
5.16 The failure to deliver these receipts would have an adverse effect on the delivery of the capital programme, meaning either schemes would have to be delayed or alternative financing, such as borrowing, would have to be sought. Borrowing incurs both interest and minimum revenue position (MRP) charges which would be additional revenue costs to the Council. Although there are currently schemes on the programme to be funded by borrowing (see table 14), these are mostly in 2024/25 and it is not anticipated that any new borrowing will be taken up in year.

7. EARMARKED RESERVES

7.1 The value and categories of earmarked reserves as at 1 April 2023 are summarised below in Graph 7. Whilst the overall level of earmarked reserves held by the Council remains strong, most of these earmarked reserves are committed, with only £30.843m not committed outside of the general fund balance of £26.094m. No uncommitted reserves have been used in this year to date, however, as mentioned earlier in this paper, drawdown of unallocated reserves may be required should expenditure in year continue to exceed budget.

7.2 Reserves balances excluding the General Fund balance and schools-related reserves are £132m. Reserves balances including the General Fund balance and schools-related reserves total £171m.

Graph 7: Earmarked reserves balances



8 TREASURY MANAGEMENT

8.1 Treasury Management is a critical activity to ensure Value for Money in the use of public funds. It is concerned with safely managing the working capital of an organisation, managing its cash flows, investments, money markets and banking.

8.2 The Council has substantial levels of both investments and borrowing, and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.

8.3 On 31 January 2024, the Council had investments of £120.200m and borrowing of £139.269m. The position and change over the year is shown in table 16 below:

Table 16: Treasury Management Summary

	31.3.23 Balance £m	Movement £m	31.1.24 Balance £m
Long-term borrowing			
- PWLB	99.227	(0.202)	99.025
- Market Loans	40.000	-	40,000
- Other	0.244	-	0.244
Total borrowing	**139.471**	**(0.202)**	**139.269**
Long-term investments	-	-	-
Short-term investments	100.700	(95.700)	5.000
Cash and cash equivalents	23.910	91.290	115.200
Total investments	**124.610**	**(4.410)**	**120.200**
Net Borrowing	**14.861**		**19.069**

8.4 The borrowing position has remained consistent as the majority of the Council's loans are maturity loans with long durations. As is illustrated in the Prudential Indicators (Appendix 17) 93% of these loans do not mature for at least ten years. Further to this no additional borrowing has been taken up in year to date and none is planned for the remainder of the year due to the current high interest rate environment and the Council's already strong cash position. Any loans taken up would incur a cost of carry due to the interest rates on borrowing being higher than those available for investment. Further borrowing, and the resultant increase in cash balances, would also have the adverse effect of increasing the Council's exposure to credit risk.

8.5 Investment balances have decreased over the year to date by £4.410m. This is largely as a result of the timing differences between the receipts of grants versus subsequent expenditure, as many grants are received earlier in the year whilst expenditure is spread more evenly.

8.6 The performance of the Council's current investments is outlined in Table 17, below:

Table 17: Treasury Investment Position

	31.3.23 Balance £m	Net Movement £m	31.01.24 Balance £m	31.01.24 Weighted Average Return %	31.01.24 Weighted Average Maturity Days
Local Authorities	70.700	(70.700)	-	-	-
Banks (Fixed Deposits)	30.000	(25.000)	5.000	5.21	19
Money Market Funds & Instant Access	23.910	91.290	115.200	5.31	n/a
Total Investments	**124.610**	**(4.410)**	**120.200**		

8.7 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

8.8 The Bank of England base rate has increased by 1%, from 4.25% at the beginning of April to 5.25% by the end of September, where it has remained since. The Council no longer has any deposits from the extended period of lower rates, all have been replaced on maturity with short term and instant access deposits at higher rates.

8.9 The Council's advisors, Arlingclose, are recommending only shorter duration deposits when using banks, and an increasing number of local authorities have issued Section 114 notices or suggested they are in danger of having to do so. Against this backdrop there has been a move towards using more Money Market Funds (MMFs) which are highly secure and offer daily liquidity. The Council will still look to place fixed deposits when satisfied with both the level of security and return.

Prudential Indicators

8.10 As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures a number of prudential indicators. These are included in Appendix 17.

9. RECOMMENDATIONS

8.11 As stated on the front cover of the report.