



<b>Policy, Finance and Development Committee</b>	<b>Tuesday, 10 September 2024</b>	<b>Matter for Information and Decision</b>
--	-----------------------------------	--

**Report Title:** **Budget Monitoring Report (Q1 2024/25)**

**Report Author(s):** **Laura Parsons (Finance Manager)  
Simon Ball (Senior Business Partner)  
Aseel Qassim (Finance Business Partner)**

<b>Purpose of Report:</b>	To provide the Committee with the forecast Outturn position for the Council for the financial year 2024/25, at the end Quarter 1, April – June.
<b>Report Summary:</b>	<p>The forecast outturn position for the year on the General Fund is an underspend of <b>£75K</b> compared to the budget of £7,677K for 2024/25.</p> <p>The forecast outturn for the HRA is an underspend of <b>£23K</b>, compared to the budget of (£101k).</p> <p>Spending on the Council’s HRA and General Fund Capital Programmes currently show slippage.</p>
<b>Recommendation(s):</b>	<p><b>That the Committee:</b></p> <ol style="list-style-type: none"> <li><b>1. Notes the contents of the Quarter 1 report and the Appendices;</b></li> <li><b>2. Approves the carry forward of slippage as shown in the Capital projects; and</b></li> <li><b>3. Approves the Vehicles purchases from the available Capital budget as noted on Appendix 4.</b></li> </ol>
<b>Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):</b>	<p>Colleen Warren (Chief Finance Officer / S151 Officer) (0116) 257 2759 <a href="mailto:colleen.warren@oadby-wigston.gov.uk">colleen.warren@oadby-wigston.gov.uk</a></p> <p>Laura Parsons (Finance Manager) (0116) 257 2694 <a href="mailto:laura.parsons@oadby-wigston.gov.uk">laura.parsons@oadby-wigston.gov.uk</a></p> <p>Simon Ball (Senior Business Partner) (0116) 257 2624 <a href="mailto:simon.ball@oadby-wigston.gov.uk">simon.ball@oadby-wigston.gov.uk</a></p> <p>Aseel Qassim (Finance Business Partner) (0116) 257 2890 <a href="mailto:Aseel.qassim@oadby-wigston.gov.uk">Aseel.qassim@oadby-wigston.gov.uk</a></p>
<b>Strategic Objectives:</b>	Our Council (SO1)
<b>Vision and Values:</b>	"Our Borough - The Place to Be" (Vision) Resourceful & Resilient (V4)
<b>Report Implications: -</b>	
<b>Legal:</b>	There are no implications directly arising from this report.

Financial:	The implications are as set out in this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4) Economy / Regeneration (CR9)
Equalities and Equalities Assessment (EA):	There are no implications directly arising from this report. EA not applicable
Human Rights:	There are no implications directly arising from this report.
Health and Safety:	There are no implications directly arising from this report.
<b>Statutory Officers' Comments: -</b>	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
<b>Consultees:</b>	<ul style="list-style-type: none"> <li>• Senior Leadership Team</li> <li>• Heads of Service</li> <li>• Budget Managers</li> </ul>
<b>Background Papers:</b>	2024/25 Revenue Budgets, Medium Term Financial Plan 2024/25 – 2028/29 Capital Programmes – Full Council 23 February 2023
<b>Appendices:</b>	<ol style="list-style-type: none"> <li>1. General Fund Variance Detail</li> <li>2. Sustainability Programme</li> <li>3. HRA Variances</li> <li>4. Earmarked Reserves</li> <li>5. Capital Programmes (General Fund and HRA)</li> </ol>

## 1. Introduction

- 1.1 This is the Quarter 1 monitoring report for the 2024/25 financial year and this report details the forecast outturn position for the year.
- 1.2 In February 2024, the Council approved its revenue and capital budgets for the general fund and the HRA for the 24/25 Financial year. In previous years reserves were utilised to fill any budget gaps, significant work has taken place during 23/24 and 24/25 to reduce spending and deliver a balanced budget.
- 1.3 Although economic conditions and inflationary pressures have started to ease, there is still considerable pressure on the Council's budgets in areas such as Homelessness, Leisure provision and Insurance costs, these issues are affecting Councils nationwide and the level of support from the Government cannot be forecast.

## 2. Summary

- 2.1 This report covers the General Fund Revenue, Housing Revenue Accounts and the Capital Programmes for the current financial year.

2.2 Whilst there are still a number of variables, especially this early in the financial year, based on the latest set of assumptions the General Fund forecast outturn position at the end of Quarter 1 for 2024/25 is a favourable variance of £75k. This is shown below in **Table 1**.

**Table 1**

Service	Original Budget 2024/25	Outturn 24/25	Variance
	£	£	£
Senior Leadership Team	407,620	394,031	-13,589
Finance & Resources	3,243,864	3,170,766	-73,098
The Built Environment	1,173,948	1,093,930	-80,018
Law & Democracy	813,940	815,570	1,630
Community & Wellbeing,	-303,520	-314,832	-11,312
Corporate Assets	241,585	313,437	71,852
Depot	985,100	1,044,730	59,630
Customer Services & Business Transformation	1,114,268	1,084,115	-30,153
<b>Net Revenue Expenditure</b>	<b>7,676,805</b>	<b>7,601,748</b>	<b>-75,057</b>
<b>Financed by:</b>			
Funding	7,676,805	7,676,805	0
Earmarked Reserves	0	0	0
General Fund Reserve	0	-75,057	-75,057
<b>Total Financing</b>	<b>7,676,805</b>	<b>7,601,748</b>	<b>-75,057</b>

2.3 The HRA is forecasting a reduction in expenditure resulting in a favourable variance of £23,357k as shown below in **Table 2**.

**Table 2**

HRA	Original Budget 2024/25	Outturn 24/25	Variance
	£	£	£
Housing Revenue Account	-4,342,020	-4,342,020	0
Estate Management	2,132,803	2,158,406	25,603
Repairs & Maintenance	1,253,750	1,261,250	7,500
Older Persons Service & Community Care	118,640	118,640	0
Capital Charges	735,760	679,300	-56,460
<b>Net Revenue Expenditure</b>	<b>-101,067</b>	<b>-124,424</b>	<b>-23,357</b>
<b>Financed by:</b>			
Housing Revenue Reserve	0	-23,357	-23,357
<b>Total Financing</b>	<b>0</b>	<b>-23,357</b>	<b>-23,357</b>

### 3. General Fund and HRA Balances

3.1 The General fund forecast is currently an underspend of £75k, this will increase our General Fund balances by this amount, **Table 3** shows the expected movements in reserves.

3.2 The HRA forecast also shows a favourable variance, increasing the Housing Revenue balances by £124k being the Budgeted amount of £101k and the additional variance of £23k, as shown in **Table 3**.

**Table 3**

Balances	Opening Balances 2024/25	Forecast Outturn 2024/25	Forecast Balances
	£	£	£
<b>General Fund Balances</b>	-1,799,236	-75,057	-1,874,293
<b>Housing Revenue Account Balances</b>	-1,426,069	-124,424	-1,550,493

#### 4. General Fund Revenue Forecast Outturn Position 2024/25

4.1 The General Fund Summary is currently forecasting an underspend of £75K, **Table 4** below shows the major forecast variances. Detailed analysis of the variances are shown in **Appendix 1**.

**Table 4 – Major Variances over £30K**

Service Area	Team	Under/Over spends	Key reasons for forecast variance
Finance & Resources	Corporate Management	-55,928	Underspend on the contingency budget for funding additional Homelessness costs.
	Corporate Management non-Finance	-36,560	£23k for increased Sustainability plan savings (utilisation of additional savings to be decided at year end), £13k reduced Debt charges
	Finance	-50,998	Salary savings on vacancies and reduced hired staff charges
	Insurance	45,000	Estimated additional cost of Insurances
	Council Tax Benefits	65,000	Cost of Council tax discounts funded by GF
	Corporate Projects	-48,210	Saving on Procurement Contract
The Built Environment	Development Control	-87,540	£30k Salary savings, £25k BNG grant and additional grant income for Planning performance agreements
Corporate Assets	Cemeteries	47,846	Reduced Income levels
	Bushloe House Offices and Grounds	33,952	Additional utility costs for Bushloe House due to awaiting completion of sale.
Depot	Mechanics Workshop	-33,161	Salary savings from Interim Fleet Manager
	Garden Waste	67,850	£50k Reduced income, £15k Hired staff costs. (Although income expectation is lower than budget, it is still higher than achieved in previous years. There was some attrition from the price increase and also due to the bad weather.)

4.2 Inflationary pressures continue to affect services across the Council, pressures that cannot be forecast at quarter 1 are noted below-

- Local government pay award 24/25, this has not yet been agreed. The LGA have confirmed their offer of £1,290 per FTE as full and final, however unions are still consulting. 3% has been built into the forecast but any award higher will result in an overspend.
- Homelessness- this is currently a nationwide issue, whilst mitigations have been put in place such as leasing accommodation to accommodate homeless in our area, the problem continues to grow. Additional grant income was received in 23/24 to support the additional pressures of homelessness, but we cannot forecast if or how much the new government may grant in support.
- Leisure Services- Leisure has not fully recovered since pre-covid times, the Leisure contract has been renegotiated however there is a profit/loss split which cannot be forecast at this point, this could impact on the level of income forecast.
- Utilities especially electric is still very high, discussions are being held with suppliers to ensure that meter readings are taken, and actual costs are reported.

2.3 Income Forecasts – The table below details the income forecast as at Quarter 1.

	23/24 Outturn £	24/25 Income £	24/25 Forecast £	24/25 Budget £	Variance £
<b>Law &amp; Democracy</b>					
<b>Environmental Protection</b>	-1,367	0	-2,000	-2,000	0
<b>Dog Control Service</b>	-1,240	-112	-1,500	-1,500	0
<b>Legal and Admin Fees</b>	-12,325	-36	-25,000	-25,000	0
<b>Taxi Licences</b>	-239,109	-57,995	-184,500	-176,700	-7,800
<b>Other Licences</b>	-14,030	-5,594	-13,200	-13,200	0
<b>Alcohol and Entertainment Licences</b>	-62,249	-5,739	-34,700	-34,700	0
<b>Gambling Act Licences</b>	-1,915	-130	-4,600	-4,600	0
<b>Selective Property Licence Scheme</b>	-40,970	-3,150	-25,000	-25,000	0
<b>The Built Environment</b>					
<b>Planning Application Fees</b>	-170,253	-38,116	-195,000	-195,000	0
<b>Pre-Application Advice</b>	-19,284	-13,355	-22,500	-22,500	0
<b>Corporate Assets</b>					
<b>Allotment Rent</b>	-13,727	0	-13,660	-13,700	40
<b>Bowls Season Tickets</b>	-6,776	-7,232	-7,300	-8,800	1,500
<b>Cricket Pitch</b>	-1,521	-1,784	-1,800	-1,320	-480
<b>Football Rugby</b>	-14,108	-3,501	-18,920	-18,920	0
<b>Pavilion Hire</b>	-55,907	-7,711	-61,740	-61,740	0
<b>Cemeteries</b>	-137,056	-42,712	-140,000	-177,250	37,250
<b>Parking Income</b>	-585,469	-168,376	-834,000	-834,000	0
<b>Parking Penalties</b>	-18,603	-26,328	-27,000	-11,000	-16,000
<b>Depot</b>					
<b>White Goods &amp; Special Collections</b>	-24,917	-5,970	-25,000	-35,000	10,000

<b>Green Waste</b>	<b>-530,880</b>	<b>-585,945</b>	<b>-610,000</b>	<b>-660,000</b>	<b>50,000</b>
**Finance are currently carrying out research into the income patterns to correctly profile budgets to accurately reflect the forecast income.					

## 5. Sustainability Programme 2024/25

- 5.1 The Budget for 24/25 was balanced without utilising reserves, due to a robust sustainability project which achieved the savings required. Members and Officers are continuing to work together to move away from the reliance on reserves, but the Council is vulnerable to unforeseen budget pressures and any that do occur will need to be funded by reserves.
- 5.2 The Sustainability programme was approved in February 2024 and the below Table shows a summary of the savings agreed to be achieved and the pressures to be budgeted for. The Growth and pressures, some service delivery and a removal of post were carried out during the budget setting process.

**Table 5 - Sustainability Programme Savings**

<b>Identified cost increases and savings 2024/25</b>	<b>£</b>
Growth and pressures identified	326,000
Increased service income	-396,000
Service Delivery Changes	-840,000
Updated budget assumptions	-226,000
Funding Changes	-131,000
<b>Total savings</b>	<b>-1,267,000</b>

- 5.3 The remaining savings and pressures identified to the value of £996k are to be carried out during 24/25. **Appendix 2** shows projects, savings and pressure's that are within budget during 24/25 and their performance against the budget.
- 5.4 Overall, the Sustainability plan has been very successful and more savings have been achieved with an additional £27k forecast, this is largely due to a contingency amount for Homelessness that has not been fully utilised. This will continue to be monitored and updated throughout the year.
- 5.5 The Service Transformation project was successfully carried out within Q1 and has delivered savings of £607k, an additional £23k above the savings goal.
- 5.6 The Alternate weekly waste collection project is ongoing but is also set to exceed the forecast by £14k due to the reduced maintenance costs of using newer vehicles and reduced expenditure on Hired staff.
- 5.7 Green waste is forecast to not achieve budget by a reduction in income of £50k.
- 5.8 Car Parking income cannot yet be forecast accurately, previous patterns indicate that income will not achieve budget however we will not be able to accurately forecast until Q2-3.

## 6. Business Rates

- 6.1 The only element of the Council Funding that is not fully fixed for the year at budget stage is Business Rates. The table below shows the latest forecast in respect of Business Rates for 2024/25.

**Table 4 – Business Rates Forecast 2024/25**

	<b>Original Budget 2024/25</b>	<b>Forecast Outturn Q1</b>	<b>Variance</b>
	£	£	£
NNDR Income	-5,048,987	-4,565,920	483,067
Tariff	3,847,539	3,847,539	0.00
Section 31 Grants - Funded Reliefs	-1,523,124	-1,430,026	93,098
Levy	321,977	99,873	-222,104
Renewable energy	-8,564	-8,564	0
<b>Total Financing</b>	<b>-2,411,159</b>	<b>-2,057,098</b>	<b>354,062</b>

6.2 Due to the complexities of the Collection Fund, it is important to note that the largest element of this position 'NNDR income' is fixed based on the amount forecast at budget setting, any variance from the actual NNDR income impacts on the budget in 25/26 in the form of the surplus/deficit for the previous year. The forecast cumulative deficit at the end of 2023/24, that will impact on the budget in 2024/25 is £1.07m but this deficit will be split within the pool.

A large part of this deficit relates to a provision held for appeals, which has been increased during the year, this provides for any successful appeals against Businesses that believe their rateable value is too high. Should the appeals be unsuccessful the provision will be reduced back down, however should the appeals be successful we have made a provision for these payments.

6.3 Oadby & Wigston are part of a business rate pool led by Leicester City Council, £199k was received in year in benefits from the Pool in 22/23, £531k is forecast to be received from Pooling activities for 23/24.

6.4 The Collection fund reserve at Q4 has a balance of £492,548 as shown in the table below.

	<b>Council Tax</b>	<b>NNDR</b>	<b>Total</b>
<b>Opening balance 1st April 2024</b>	-98,553	591,101	492,548
<b>Movement in year</b>	0	0	0
<b>Closing Balance 31st March 2025</b>	<b>-98,553</b>	<b>591,101</b>	<b>492,548</b>

The movements in year reflect the expected surplus/deficits on the funds for 24/25, which will impact in 25/26.

## **7. Housing Revenue Account (HRA)**

7.1 For 2024/25 the Councils Housing Revenue Account (HRA) net revenue budget was set with a planned contribution to balances of £101k, resulting in an estimated level of general balances at the year-end of £1.527M.

7.2 The HRA is currently projecting a forecast underspend of £23k, which would result in HRA balances of £1.550M as at the end of 2024/25 financial year. This position maintains balances above the prudent minimum.

7.3 Quarter 1 forecasts for most services to achieve budget, with just Estates management forecast to overspend by £25k due to legal fee's relating to disrepair claims and additional

salary costs. This overspend on Estates management is offset by savings on interest paid due to the reduced interest rate.

## 8. Earmarked Reserves

8.1 The Council holds a number of earmarked revenue reserves over both the General Fund and HRA. These reserves are sums set aside for specific purposes and to mitigate against potential future known or predicted liabilities. A number of these reserves are budgeted for use over the period of the MTFS.

8.2 Contributions to/from reserves are noted below, detailed analysis of reserves are shown on **Appendix 3**.

Reserves	Opening Balance 01/04/24	Increase	Decrease	Closing Balance 31/03/25
	£		£	£
<b>General Fund Earmarked Reserves</b>	-1,463,765	0	441,782	-1,021,983
<b>Housing Revenue Balance</b>	-1,636,198	0	1,155,563	-480,635

## 9. Capital Programme

9.1 The 2024/25 Capital Programme was set at Full Council in February 2024. Table 8 below shows a summary of the 2024/25 capital programme; the full capital programme is shown in **Appendix 4**.

9.2 The forecast at Quarter 1 for the **General Fund capital programme** is £1.879m with slippage of £653k estimated by outturn. This is comprised principally of £211k on the vehicle replacement programme, due to long lead times on new vehicles, and £350k on the sports facility's improvement programme, due to challenges from Sport England that have now been resolved.

9.3 The forecast at Quarter 1 for the **HRA capital programme** is £3.426m with slippage of £1.902m estimated by outturn due to a delay on the New Housing Initiatives scheme as further funding options and housing options are being investigated.

9.4 Approval is requested to reduce the capital budgets for 2024/25 and increase the 2025/26 by the reported slippage amounts for the general fund and HRA. Capital spend against the revised budgets will be monitored for the remainder of the financial year.

**Table 8 – Capital Programme Summary**

Fund	Revised Budget	Forecast Outturn	Forecast Variance to Budget
	2023/24	2023/24	2023/24
	£'000	£'000	£'000
<b>General Fund Schemes</b>			
Vehicle Replacement	754	543	-211
Waste Project	368	368	0
Sports Facilities Improvement Programme	484	134	-350
Other	925	834	-92



GF Total	<b>2,531</b>	<b>1,879</b>	<b>-653</b>
<b>Housing Revenue Account</b>			
New Housing Initiatives	2,157	255	-1,902
Decarbonisation of Housing Stock	1,060	1,060	0
Central Heating	1,068	1,068	0
Other	1,043	1,043	0
HRA Scheme Total	<b>5,328</b>	<b>3,426</b>	<b>-1,902</b>
Total	<b>7,859</b>	<b>5,305</b>	<b>-2,555</b>

Details of the Capital Programme financing are included in **Appendix 7**.