



<b>Policy, Finance and Development Committee</b>	<b>Tuesday, 25 March 2025</b>	<b>Matter for Information and Decision</b>
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**Report Title:** **Budget Monitoring Report (Q3 2024/25)**

**Report Author(s):** **Colleen Warren (Chief Finance Officer / S151 Officer)**  
**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 3, April – December.
<b>Report Summary:</b>	<p>The forecast outturn position for the year on the General Fund is an overspend of <b>£499K</b> compared to the budget of £7.677m for 2024/25.</p> <p>The forecast outturn for the HRA is an underspend of <b>£303k</b>, compared to the budgeted underspend 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> <p><b>A. Notes the contents of the Quarter 3 report and the Appendices; and</b></p> <p><b>B. Approves the carry forward of slippage as shown in the Capital projects.</b></p>
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<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>	
Legal:	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>	<a href="#">2024/25 Revenue Budgets, Medium Term Financial Plan 2024/25 - 2028/29 Capital Programmes - Full Council 23 February 2023, Q1 Budget Monitoring report.</a>
<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. Capital Programmes (General Fund and HRA)</li> <li>5. Reserves</li> </ol>

## 1. Introduction

- 1.1 This is the Quarter 3 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 without using balances.
- 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 The General fund outturn is currently forecast to be £499k overspent compared to budget.

- 2.3 The Council has made considerable efforts to achieve savings and whilst these have been largely successful the majority of this overspend is due to the national homeless crisis and the cost of the Council providing temporary accommodation to the Homeless in our area, with the remaining mainly due to underachievement of income.
- 2.4 Whilst the cost of homelessness is largely uncontrollable due to the statutory duty to house any homeless the Council have made efforts to procure leased accommodation and purchase additional houses in order to reduce the burden on the General Fund, however these efforts take time to come to fruition and work on this is continuing.
- 2.5 The overspend of £499k is shown below in **Table 1**. At present we are forecasting the use of balances, however we will continue to strive to achieve a balanced outturn over the coming months.

**Table 1**

Service	Original Budget 2024/25	Revised Budget 24/25	Outturn 24/25	Variance
	£	£	£	£
Senior Leadership Team	407,620	407,620	385,819	(21,801)
Finance & Resources	3,327,704	3,432,504	3,887,525	455,021
The Built Environment	1,173,948	1,069,148	967,960	(101,188)
Law & Democracy	813,940	815,940	746,994	(68,946)
Community & Wellbeing,	(335,820)	(337,820)	(322,858)	14,962
Corporate Assets	273,885	288,535	456,868	168,333
Depot	985,100	985,100	1,068,512	83,412
Customer Services & Business Transformation	1,030,428	1,034,328	1,004,423	(29,905)
<b>Net Revenue Expenditure</b>	<b>7,676,805</b>	<b>7,695,355</b>	<b>8,195,242</b>	<b>499,887</b>
<b>Financed by:</b>				
Funding	7,676,805	7,676,805	7,676,805	0
Earmarked Reserves	0	18,550	18,550	0
General Fund Reserve	0	0	499,887	499,887
<b>Total Financing</b>	<b>7,676,805</b>	<b>7,695,355</b>	<b>8,195,242</b>	<b>499,887</b>

- 2.6 The HRA is forecasting a reduction in expenditure resulting in a favourable variance of £303k as shown below in **Table 2**.

**Table 2**

HRA	Original Budget 2024/25	Outturn 24/25	Variance
	£	£	£
Housing Revenue Account	(4,342,020)	(4,333,030)	8,990
Estate Management	2,132,803	2,046,989	(85,814)
Repairs & Maintenance	1,253,750	1,118,798	(134,952)
Older Persons Service & Community Care	118,640	99,133	(19,507)
Cleaning	0	103,881	103,881
Capital Charges	735,760	660,874	(74,886)

<b>Net Revenue Expenditure</b>	<b>(101,067)</b>	<b>(303,335)</b>	<b>(202,288)</b>
<b>Financed by:</b>			
Housing Revenue Reserve	(101,067)	(303,335)	(202,288)
<b>Total Financing</b>	<b>(101,067)</b>	<b>(303,335)</b>	<b>(202,288)</b>

### 3. General Fund and HRA Balances

- 3.1 The General fund forecast is currently an overspend of £499k, this will reduce our General Fund balances by this amount, **Table 3** shows the expected movements in reserves.
- 3.2 The HRA forecast shows a favourable variance, increasing the Housing Revenue balances by £303k being the Budgeted amount of £101k and the additional variance of £202k, as shown in **Table 3**.

**Table 3**

Balances	Original Budget 2024/25	Forecast Outturn 2024/25	Variance
	£	£	£
<b>General Fund Balances</b>	(1,765,066)	(1,265,179)	499,887
<b>Housing Revenue Account Balances</b>	(1,410,793)	(1,714,148)	(303,355)

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

- 4.1 **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
<b>Finance &amp; Resources</b>	Housing Benefits	371,373	£384k cost of providing Homelessness, £57k improved recovery of overpayments, £30k grants not achieved, £10k charge for 22/23 benefit audit.
	Council Tax Benefits	65,000	Cost of providing discretionary care leaver discount.
	Finance	(39,767)	£57k Salary savings and £7k saving on hired staff, offset by £24k overspend on software.
	Revenues & Benefits Manager	50,949	£38k cost agency support for Revenues & Benefits, £9k salary saving, £11k additional postage costs, £11k increase in software costs.
	Corporate Projects	(66,788)	£39k saving on Procurement contract, £9k saving on salaries, £13k recharge of staff time to Blaby, £6k recharge of staff time to UKSPF
<b>The Built Environment</b>	Development Control	(93,175)	£37k salary savings due to vacant posts. £80k in additional government grants. £25k income raised from Planning Performance Agreements for the Wigston direction for growth offset by £37k shortfall in pre-application and planning application income. £12k overspend on

			computer software, advertising and other supplies and services.
<b>Corporate Assets</b>	Cemeteries	39,652	£27k reduction in income, £5k increase in salary costs.
	Car Parks	62,049	£72k reduction in parking income plus Q3/4 23/24 Harborough Council enforcement contract costs £44k offset by £40k increase in penalty income and £29k refunds on previous years transaction handling fees.
	Street Cleansing	30,330	£21k recharge budget and £7k increased salaries
	Brocks Hill Move	36,267	£27k NNDR for 23/24 and £7k increase in salary costs
<b>Depot</b>	Garden Waste Collection	74,700	£59k reduction in Garden waste income, £34k cost of hired staff partly offset by £16k travelling allowance (income) from LCC for extended trip to dispose of waste
	Fleet Management	(34,792)	£21k saving on fuel, £16k saving on vehicle repairs, both due to waste project.
<b>Customer Services</b>	Customer Services	(40,527)	Software savings on Customer Relationship Management system
	Taxi Licences	(55,988)	Additional Taxi Licence income

4.2 Local Government pay award has been agreed at £1,290 for 24/25 per full time employee. This resulted in an additional cost for the GF of £73k and £8k for HRA, these costs are included within the above forecasts.

4.3 Inflationary pressures continue to affect services across the Council, pressures that cannot be forecast at quarter 3 are noted below-

- Homelessness- as noted in paragraph 2.3
- 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.

4.4 Income Forecasts – The table below details the income forecast as at Quarter 3.

**Table 5**

	Prior Year Outturn	Forecast income for 24/25	24/25 Budget	Variance
	£	£	£	
<b>Law &amp; Democracy</b>				
<b>Environmental Protection</b>	(1,367)	(2,000)	(2,000)	0
<b>Dog Control Service</b>	(1,240)	(1,200)	(1,500)	300
<b>Legal and Admin Fees</b>	(12,325)	(21,000)	(25,000)	4,000
<b>Taxi Licences</b>	(239,109)	(235,701)	(176,700)	(59,001)

<b>Other Licences</b>	(14,030)	(16,686)	(13,200)	(3,486)
<b>Alcohol and Entertainment Licences</b>	(62,249)	(33,991)	(34,700)	710
<b>Gambling Act Licenses</b>	(1,915)	(3,096)	(4,600)	1,504
<b>Selective Property Licence Scheme</b>	(40,970)	(10,150)	(25,000)	14,850
<b>The Built Environment</b>				
<b>Planning Application Fees</b>	(170,253)	(165,000)	(195,000)	30,000
<b>Pre-Application advice</b>	(19,284)	(15,500)	(22,500)	7,000
<b>Corporate Assets</b>				
<b>Allotment Rent</b>	(13,727)	(12,300)	(13,700)	1,400
<b>Bowls Season Tickets</b>	(6,776)	0	0	0
<b>Cricket Pitch</b>	(1,521)	0	0	0
<b>Football Rugby</b>	(14,108)	(15,711)	(14,100)	(1,611)
<b>Pavilion Hire</b>	(55,907)	(32,090)	(33,910)	1,820
<b>Cemeteries</b>	(137,056)	(150,000)	(177,250)	27,250
<b>Parking Income</b>	(585,469)	(762,000)	(834,000)	72,000
<b>Parking Penalties</b>	(18,603)	(51,000)	(11,000)	(40,000)
<b>Depot</b>				
<b>White Goods &amp; Special Collections</b>	(24,917)	(25,000)	(35,000)	10,000
<b>Green Waste</b>	(530,880)	(601,735)	(660,000)	58,265

## 5. Sustainability Programme 2024/25

- 5.1 The Quarter 1 Budget monitoring report detailed the £996k that were expected to be delivered within year, as approved within the sustainability programme.
- 5.2 **Appendix 2** shows projects, savings and pressure's that are within budget during 24/25 and their performance against the budget.
- 5.3 Quarter 3 has shown more savings that will not be achieved, these have been highlighted in Green for those that have been completed and have achieved savings and Orange for those completed where savings have not been identified.
- The budget for the pay award was reduced to 3% saving £76,000 however due to the agreed pay rise of £1,290 this saving will not be achieved. There is therefore an additional cost of £6k.
  - The Contingency budget will now not result in any savings as it is required to be fully utilised to fund the some of the £292k forecast overspend.
- 5.4 Savings based on increasing income will continue throughout the year the forecast at Q3 shows-
- Green waste is forecast to underachieve the target by £59k
  - Car Parking income is forecast to underachieve the target by £72k, partly offset by an additional £40k on parking fines
  - Taxi Licensing is expected to achieve an additional £59k.
- 5.5 The Alternate weekly waste collection project has been delivered, and savings have been made through reduction in staffing and vehicle repair and maintenance costs to achieve the required saving.

5.6 At Quarter 3 the forecast for these savings targets is a saving of £785k of the £996k savings identified. This is an 79% success rate.

## 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 6 – Business Rates Forecast 2024/25**

	Original Budget 2024/25	Forecast Outturn Q3	Variance
	£	£	£
NNDR Income	(5,048,987)	(4,511,627)	537,360
Tariff	3,847,539	3,847,539	0
Section 31 Grants - Funded Reliefs	(1,523,124)	(1,553,536)	(30,412)
Levy	321,977	324,433	2,456
Renewable energy	(8,564)	(8,564)	0
<b>Total Financing</b>	<b>(2,411,159)</b>	<b>(1,901,755)</b>	<b>509,404</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 The Collection fund reserve at Q4 has a balance of £492,548 as shown in the table below.

**Table 7**

	Council Tax	NNDR	Total
<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 £303k, which would result in HRA balances of £1.712m as at the end of 2024/25 financial year. This position maintains balances above the prudent minimum.

7.3 The Major Variances over £30k for the HRA are shown below.

**Table 8**

Cost Centre	Under/ Overspends	Key reasons for forecast variance
<b>General Repairs</b>	77,048	£52k overspend on repairs and £23k additional cost for hired staff.
<b>Void Property Repairs</b>	(140,500)	Lower than budgeted number of void properties
<b>General Planned Maintenance</b>	(95,000)	Saving on general planned maintenance, subject to the results of the stock condition survey.
<b>Capital Charges</b>	(74,886)	Reduced cost of Capital charges

## 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 5**.

**Table 9**

Reserves	Opening Balance 01/04/24	Increase	Decrease	Closing Balance 31/03/25
	£		£	£
<b>General Fund Earmarked Reserves</b>	(378,379)	(25,200)	23,859	(379,720)
<b>General Fund Grants</b>	(1,135,140)	(231,000)	751,271	(614,870)
<b>Housing Revenue Reserve</b>	(1,610,782)	(1,500,000)	2,281,586	(829,196)
<b>1-4-4 Housing Reserve</b>	(1,293,788)	(1,000,000)	455,400	(1,838,388)

## 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 3 for the General Fund capital programme is £2.283m with slippage of £682k estimated by outturn. This is comprised principally of £131k on the invest-to-save budget, due to transformation costs being less than estimated, £121k 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. £461k of UKSPF-funded capital projects have now been added to the budget.



- 9.3 The forecast at Quarter 3 for the HRA capital programme is £3.129m with slippage of £2.199m estimated by outturn due to a delay on the New Housing Initiatives scheme as further funding options and housing options are being investigated, £125k on door replacement work and £209k of fire safety work that has been delayed until after winter.
- 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 10 – Capital Programme Summary**

<b>Fund</b>	<b>Revised Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance to Budget</b>
	<b>2024/25</b>	<b>2024/25</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>General Fund Schemes</b>			
Vehicle Refurbishment	754	632	(121)
Waste Project	440	295	(145)
Sports Facilities Improvement Programme	484	134	(350)
UKSPF	461	459	(1)
Other	974	763	(212)
<b>GF Total</b>	<b>3,113</b>	<b>2,283</b>	<b>(829)</b>
<b>Housing Revenue Account</b>			
New Housing Initiatives	2,157	455	(1,702)
Decarbonisation of Housing Stock	909	785	(124)
Central Heating	1,219	1,219	0
Other	1,043	670	(373)
<b>HRA Scheme Total</b>	<b>5,328</b>	<b>3,129</b>	<b>(2,199)</b>
<b>Total</b>	<b>8,441</b>	<b>5,412</b>	<b>(3,028)</b>

Details of the Capital Programme financing are included in **Appendix 4**.