



Policy, Finance and Development Committee	Tuesday, 17 June 2025	Matter for Information and Decision
--------------------------------------------------	------------------------------	--------------------------------------------

Report Title: **Budget Monitoring Report (Q4 2024/25)**

Report Author(s): **Colleen Warren (Chief Finance Officer / S151 Officer)**
Simon Ball (Finance Manager / Deputy S151 Officer)
Aseel Qassim (Finance Business Partner)

Purpose of Report:	To provide the Committee with the Outturn position for the Council for the financial year 2024/25, at the end Quarter 4, April – March.
Report Summary:	<p>The outturn position for the year on the General Fund is a £146k underspend compared to the budget of £7.677m for 2024/25.</p> <p>The outturn for the HRA is an underspend of £240k, compared to the budgeted underspend of £99k.</p> <p>Spending on the Council's HRA and General Fund Capital Programmes currently show slippage.</p>
Recommendation(s):	<p>That the Committee:</p> <ol style="list-style-type: none"> 1. Notes the contents of the Quarter 4 report and the Appendices and forward on for Full Council to note; 2. Approves the carry forward of slippage as shown in the Capital projects; 3. Approves the carry forward of budgets as shown in the Appendices; 4. Notes the percentages to be applied to bad debt provisions in the accounts; and 5. Approves the minimum HRA Balance to be 15% of Gross Budgeted Income for 2025/26.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Colleen Warren (Chief Finance Officer / S151 Officer) (0116) 257 2759 colleen.warren@oadby-wigston.gov.uk</p> <p>Simon Ball (Finance Manager / Deputy S151 Officer) (0116) 257 2624 simon.ball@oadby-wigston.gov.uk</p>
Strategic Objectives:	Our Council (SO1)
Vision and Values:	"Our Borough - The Place to Be" (Vision) Resourceful & Resilient (V4)
Report Implications: -	
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) Reputational 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.
Statutory Officers' Comments: -	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	<ul style="list-style-type: none"> • Senior Leadership Team • Heads of Service • Budget Managers
Background Papers:	2024/25 Revenue Budgets, Medium Term Financial Plan 2024/25 – 2028/29 Capital Programmes – Full Council February 2024
Appendices:	<ol style="list-style-type: none"> 1. General Fund Variance Detail 2. Sustainability Programme 3. HRA Detailed Variances 4. Capital Programmes (General Fund and HRA) 5. Reserves

1. Introduction

- 1.1 This is the Quarter 4 monitoring report for the 2024/25 financial year and this report details the 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 the use of 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, subject to finalisation of the Statement of accounts is a £146k underspend, which relates to a ring-fenced Local Plan Grant which is to be transferred to earmarked reserves for future use (see Table 1). The net effect on the General Fund Balance is Nil.

- 2.3 The Council has made considerable efforts to achieve the savings target set as part of the budget process and whilst these have been largely successful the council has seen overspends due to the national homelessness crisis and the cost of the Council providing temporary accommodation to the homeless in our area, with the remaining variances mainly due to underachievement of income.
- 2.4 Overspends have been offset by savings and the additional income received as part of NNDR pooling. This has enabled us to achieve a breakeven position with the balance remaining from pooling being transferred to the NNDR Equalisation Reserve to offset any future peaks and troughs.

Table 1

Service	Original Budget 24/25	Revised Budget 24/25	Outturn 24/25	Variance 24/25
	£	£	£	£
Senior Leadership Team	407,620	407,620	373,804	(22,616)
Finance & Resources	3,327,704	3,432,504	4,122,924	544,150
The Built Environment	1,173,948	1,069,148	446,899	(487,179)
Law & Democracy	813,940	815,940	621,841	(194,099)
Community & Wellbeing,	(335,820)	(337,820)	(356,758)	(18,938)
Corporate Assets	273,885	288,535	371,201	82,666
Depot	985,100	985,100	1,004,708	19,608
Customer Services & Business Transformation	1,030,428	1,034,328	965,034	(69,294)
Net Revenue Expenditure	7,676,805	7,695,355	7,549,654	(145,701)

Financed by:				
Funding	7,676,805	7,676,805	8,270,733	(593,928)
Earmarked Reserves	0	18,550	(721,079)	736,629
Total Financing	7,676,805	7,695,355	7,549,654	145,701

- 2.5 The HRA has seen a reduction in expenditure resulting in a favourable variance of £240k as shown below in Table 2.

Table 2

HRA	Revised Budget 24/25	Outturn 24/25	Variance
	£	£	£
Housing Revenue Account	(4,342,020)	(4,565,395)	(223,375)
Estate Management	2,029,703	2,238,750	209,047
Repairs & Maintenance	1,253,750	1,165,089	(88,661)
Older Persons Service & Community Care	118,640	94,096	(24,544)
Cleaning	104,800	101,060	(3,740)
Capital Charges	735,760	627,279	(108,482)
Net Revenue Expenditure	(99,367)	(339,122)	(239,755)

Financed by:			
Housing Revenue Reserve	(99,367)	(347,908)	(248,541)
Earmarked Grants	0	8,786	8,786
Total Financing	(99,367)	(339,122)	(239,755)

3. General Fund and HRA Balances

- 3.1 The General fund outturn is a break-even position, which will leave our General Fund balances unchanged, **Table 3** shows the expected movements in reserves.
- 3.2 The HRA outturn shows a favourable variance, increasing the Housing Revenue balances by £348k being the Budgeted amount of £99k and the additional variance of £249k, as shown in **Table 3**.

Table 3

Balances	Opening Balances 2024/25	Adjustments	Outturn 2024/25	Closing Balances 2024/25
	£	£	£	£
General Fund Balances	(1,765,066)	225,000	0	(1,540,066)
Housing Revenue Account Balances	(1,410,793)	0	(347,908)	(1,758,702)

4. General Fund Revenue Outturn Position 2024/25

- 4.1 Table 4 below shows the major variances. Detailed analysis of the variances are shown in **Appendix 1**.

Table 4 – Major Variances over £30k

Service Area	Team	Q4 Under/ Over spends	Q4 Key reasons for variance
Corporate Assets	Cemeteries	35,185	£27k reduction in income, £5k increase in salary costs
Customer Services	Customer Services	(43,829)	Software savings on Customer Relationship Management system
Depot	Garden Waste Collection	80,695	£37K unbudgeted hired staff, offset by savings elsewhere in depot and underachievement of income.
	Food Waste	(43,999)	Food waste implementation grant not used in-year. Appropriated to earmarked grant reserve
Finance & Resources	Corporate Management	(61,508)	£51K saving on audit fees; budget carried forward requested. £33K reduction in provision for bad debts due to review of percentages provision. £16K higher insurance charge. £18K higher banking charges. £18K grant income.
	Corporate Management Non-Financial	(158,293)	£132K due to change in the insurance contract period, £20K saving due to increase in pension lump sum recharged to HRA.

	Council Tax	112,067	£30K lower court costs income against budget, £55K creation of court costs bad debt provision, £14K hired staff, £10K additional postage.
	Housing Benefits	660,256	£546K cost of providing Homelessness, £76K cost of housing benefit over grant, £40K write-off of overpayment of benefit
	Council Tax Benefits	46,436	Cost of providing discretionary care leaver discount
	Finance	(52,314)	£75k Salary savings and £6k saving on hired staff, offset by £29k overspend on software.
	Revenues and Benefits Manager	69,362	£35k cost of interim Revenues & Benefits Manager, £8k salary saving, £17k additional postage costs, £15k increase in software costs, £12k Capita training costs
	Corporate Projects	(85,031)	£39k saving on Procurement contract, £9k saving on salaries, £13k recharge of staff time to Blaby, £6k recharge of staff time to UKSPF, £18k recharge of staff time to food waste project
Law & Democracy	Legal & Admin Section	(38,022)	Vacancy savings
	Taxi Licences	(59,542)	Additional Taxi Licence income
The Built Environment	Homelessness	(133,260)	£93K additional government grants after Q3. £33K additional weekly personal charges due to homelessness pressures. £6K additional rent
	Development Control	(98,782)	£32K salary savings due to vacant posts. £80K in additional government grants. £26K income raised from Planning Performance Agreements for the Wigston direction for growth. £33K shortfall in pre-application and planning application income. £7K overspend on computer software, advertising and other supplies and services.
	Forward Planning	(246,796)	£11K overspend on local plan. £250K grant to fund implementation of changes in the National Planning Policy Framework, taken to earmarked reserve.

4.2 Inflationary pressures continue to affect services across the Council, as noted below-

- Inflationary pressures continue to affect services across the Council.
- Homelessness- as noted in paragraph 2.3.
- Leisure Services- Leisure has not fully recovered since pre-covid times, the Leisure contract has been renegotiated to include a profit/loss split which is nil for 2024/25.
- 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.

4.3 Income – The table below details the income as at Quarter 4.

(Continues overleaf)

Table 5

	Prior Year Outturn £	Actual Income 24/25 £	24/25 Budget £	Variance
Law & Democracy				
Environmental Protection	(1,367)	(1,141)	(2,000)	859
Dog Control Service	(1,240)	(456)	(1,500)	1,044
Legal and Admin Fees	(12,325)	(19,676)	(25,000)	5,324
Taxi Licences	(239,109)	(236,509)	(176,700)	(59,809)
Other Licences	(14,030)	(22,438)	(13,200)	(9,238)
Alcohol and Entertainment Licences	(62,249)	(22,736)	(34,700)	11,964
Gambling Act Licences	(1,915)	(3,116)	(4,600)	1,484
Selective Property Licence Scheme	(40,970)	(33,530)	(25,000)	(8,530)
The Built Environment				
Planning Application Fees	(170,253)	(165,810)	(195,000)	29,191
Pre Application advice	(19,284)	(18,598)	(22,500)	3,902
Corporate Assets				
Allotment Rent	(13,727)	(12,601)	(13,700)	1,099
Bowls Season Tickets	(6,776)	0	0	0
Cricket Pitch	(1,521)	0	0	0
Football Rugby	(14,108)	(19,110)	(14,100)	(5,010)
Pavilion Hire	(55,907)	(37,263)	(33,910)	(3,353)
Cemeteries	(137,056)	(150,650)	(177,250)	26,600
Parking Income	(585,469)	(767,181)	(834,000)	66,819
Parking Penalties	(18,603)	(51,921)	(11,000)	(40,921)
Depot				
White Goods & Special Collections	(24,917)	(30,312)	(35,000)	4,688
Green Waste	(530,880)	(601,555)	(660,000)	58,445

5. Sustainability Programme 2024/25

5.1 The Quarter 1 Budget Monitoring report detailed the £996k of savings that were expected to be delivered within year, as approved within the sustainability programme.

5.2 **Appendix 2** shows projects, savings and pressures that were within budget during 24/25 and their performance against the budget.

- The budget for the pay award was reduced to 3% to give a potential saving of £76,000, however, due to the agreed pay rise of £1,290 per FTE, this saving was not achieved, and there was an additional pressure on the budget of £6k.
- The Contingency budget will now not result in any savings as it is required to be fully utilised to offset unrealised savings.

5.3 Savings based on increasing income continued throughout the year:

- Green waste underachieved the target by £58k

- Car Parking underachieved the target by £67k, partly offset by an additional £41k on parking fines
- Taxi Licensing is expected to achieve an additional £59k.

5.4 The alternate weekly waste collection project has been delivered and reductions in staffing and vehicle repair and maintenance costs have been implemented to achieve the required savings.

5.5 At Quarter 4 these savings amounted to £807k of the £996k savings identified. This is a success rate of 81%.

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 outturn in respect of Business Rates for 2024/25.

Table 6 – Business Rates 2024/25

	Original Budget 2024/25	Outturn	Variance
	£	£	£
NNDR Income	(5,048,987)	(5,055,234)	(6,247)
Tariff	3,847,539	3,847,539	0
Section 31 Grants - Funded Reliefs	(1,523,124)	(1,493,253)	29,871
Levy	321,977	146,011	(175,966)
Renewable energy	(8,564)	(8,564)	0
NNDR Adjustment	0	(102,135)	(102,135)
Total Financing	(2,411,159)	(2,665,636)	(254,477)

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 cumulative deficit at the end of 2024/25, that will impact on the budget in 2025/26 is £660k 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 decreased 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 £146,387 as shown in the table below.

Table 7

	Council Tax	NNDR	Total
Opening balance 1st April 2024	(98,553)	591,101	492,548
Movement in year	(20,638)	(325,524)	(346,162)
Closing Balance 31st March 2025	(119,191)	265,577	146,386

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 £99k, resulting in an estimated level of general balances at the year-end of £1.527m.
- 7.2 The HRA underspent by £348k, giving a HRA balance of £1.758m. Members are requested to approve the following minimum working balance for 25/26 on the HRA – this is based either 5%, 10% or 15% of gross income budgeted for 2025/26. The remaining reserve will be earmarked for alternative use which will be proposed during 2025/26. Best practice indicates an average of 10% to be prudent, so therefore if a minimum balance was held of 15% this would be a risk averse position for Oadby & Wigston Borough Council.

HRA Gross income 25/26	% Minimum Balance	£ Minimum Balance
£6,164,300	5%	£308,215
	10%	£616,430
	15%	£924,645

- 7.3 The major variances over £30k for the HRA are shown below:

Table 8

Service Area	(Under)/ Overspends	Key reasons for variance
General Repairs	163,765	£24K overspend on staffing. £140K overspend on repairs.
Void Property Repairs	(142,410)	Savings are due to more of our void property costs being capitalised.
General Planned Maintenance	(136,775)	Savings due to fewer planned works were carried out this year than expected.
Housing Revenue Account	(223,375)	£30K due to write offs of former tenant arrears. £21K due to depreciation. £3K from savings on Council Tax on void properties. £175K due to a decrease in the provision for bad debts. £54K in additional rental and other income raised.
Estates Management	209,047	£19K overspend on staffing. £5K overspend on computer software. £16K on legal fees relating to disrepair claims. £180K in costs related to the stock condition survey and project management fees in relation to new housing initiatives not deemed eligible for capitalisation. £5K savings on compensation. £9K new burdens income. £3K overspend on other supplies and services.
Capital Charges	(108,482)	Reduced forecast for 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 and detailed analysis of reserves are shown on **Appendix 5**.

Table 9

Reserves	Opening Balance 01/04/24	Increase	Decrease	Closing Balance 31/03/25
	£	£	£	£
General Fund Earmarked Reserves	(378,379)	(323,472)	10,679	(691,172)
General Fund Grants	(1,135,140)	(1,125,857)	1,228,981	(1,032,017)
Housing Revenue Reserve	(1,610,782)	(1,700,026)	2,335,862	(974,946)
1-4-1 Housing Reserve	(1,293,788)	(535,682)	408,021	(1,421,450)

9. Capital Programme

- 9.1 The 2024/25 Capital Programme was set at Full Council in February 2024. Table 10 below shows a summary of the 2024/25 capital programme; the full capital programme is shown in **Appendix 4**.
- 9.2 The outturn for the General Fund capital programme is £1.896m with slippage of £1,097k. This is comprised principally of £132k on the invest-to-save budget, due to transformation costs being less than estimated, £314k on the vehicle replacement programme, due to long lead times on new vehicles, and £484k 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 outturn for the HRA capital programme is £2.995m with slippage of £2.334m 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 £300k of fire safety work that was delayed.
- 9.4 Approval is requested to re-profile the underspent capital budgets for 2024/25 thus increasing capital budgets for 2025/26 by the reported slippage amounts for the General Fund and HRA. Capital spend against the revised budgets will be monitored during 2025/26.

Table 10 – Capital Programme Summary

Fund	Revised Budget	Outturn	Variance to Budget
	2024/25	2024/25	2024/25
	£'000	£'000	£'000
General Fund Schemes			
Vehicle Refurbishment	754	440	(314)
Waste Project	440	256	(184)

Sports Facilities Improvement Programme	484	0	(484)
UKSPF	461	432	(29)
Other	1,006	768	(238)
GF Total	3,145	1,896	(1,249)
Housing Revenue Account			
New Housing Initiatives	2,157	408	(1,749)
Decarbonisation of Housing Stock	909	812	(97)
Central Heating	1,219	1,278	59
Other	1,043	497	(547)
HRA Scheme Total	5,328	2,995	(2,334)
Total	8,473	4,891	(3,583)

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