



Report to: Policy & Performance Improvement Committee – 25 November 2024  
 Director Lead: Sanjiv Kohli, Deputy Chief Executive/Director - Resources  
 Lead Officer: Nick Wilson, Business Manager – Financial Services

Report Summary	
<b>Report Title</b>	Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2025 as at 30 September 2024
<b>Purpose of Report</b>	<p>To update Members with the forecast outturn position for the 2024/25 financial year for the Council’s General Fund and Housing Revenue Account revenue and capital budgets.</p> <p>To show performance against the approved estimates of revenue expenditure and income; report on major variances from planned budget performance; and report on variations to the Capital Programme for approval; all in accordance with the Council’s Constitution.</p>
<b>Recommendations</b>	<p>That the Policy &amp; Performance Improvement Committee note:</p> <ul style="list-style-type: none"> <li>(a) the General Fund projected favourable outturn variance of £0.719m;</li> <li>(b) the Housing Revenue Account projected favourable outturn variance of £0.033m to the Major Repairs Reserve;</li> <li>(c) the Capital Programme forecast Outturn of £49.467m.</li> </ul>

## 1.0 Background

### Overview of General Fund Revenue Projected Outturn for 2024/25

#### Current Position (as at 30 September 2024): variances

1.1 *Table 1* shows a projected favourable variance on Service budgets against the revised budget of £0.421m, with an overall favourable variance of £0.719m to be transferred to General Fund reserves. This forecast outturn position is based on meetings which took place with Business Managers during October, whereby they have analysed actual income and expenditure to 30 September 2024 and forecasted forward the additional income and expenditure expected to be incurred to the end of March 2025. Further details of the variances projected against each of the portfolio holder budgets are provided in **Appendix A**.

*Table 1: General Fund revenue outturn for 2024/25 financial year as at 30 September 2024*

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Climate and the Environment	3.459	3.597	3.518	(0.079)
Health, Wellbeing and Leisure	1.981	2.319	1.673	(0.646)
Heritage, Culture and the Arts	1.079	1.105	0.968	(0.137)
Housing	0.463	0.418	0.536	0.118
Public Protection and Community Relations	2.581	2.614	2.504	(0.110)
Strategy, Performance and Finance	8.496	8.831	9.215	0.384
Sustainable Economic Development	1.728	2.483	2.532	0.049
<b>Net Cost of Services</b>	<b>19.787</b>	<b>21.367</b>	<b>20.946</b>	<b>(0.421)</b>
Other Operating Expenditure	4.932	4.932	4.932	0.000
Finance & Investment Income/Expenditure	(1.736)	(1.736)	(1.849)	(0.113)
Taxation & Non-Specific Grant Income	(24.578)	(24.578)	(24.662)	(0.084)
<b>Net Cost of Council Expenditure</b>	<b>(1.595)</b>	<b>(0.015)</b>	<b>(0.633)</b>	<b>(0.618)</b>
Transfer to/(from) Usable Reserves	0.794	(0.786)	(0.786)	0.000
Transfer to/(from) Unusable Reserves	0.801	0.801	0.700	(0.101)
Transfer to/(from) General Reserves	0.000	0.000	0.719	0.719

- 1.2 A favourable variance of £0.421m is currently being projected on service budgets managed by business managers. This represents 1.97% of the total service budgets. A variance analysis is detailed at **Appendix A**.
- 1.3 There have been significant issues in recruitment seen across the Council over the last few financial years. This has been felt across the Local Government sector, with similar issues being seen in a number of neighbouring authorities. As a result of this, the forecast vacancy savings target for 2024/25 was kept at 5%.
- 1.4 A favourable variance of £0.091m on employee related expenditure includes £1.053m of vacancy savings target, representing 5% of the total budget for employees within each Business Unit. Actual vacancies forecast currently is a favourable variance of £1.144m, which represents 5.10% (3.21% as at 30 June 2024) of the total employee budget. This is kept under regular review.
- 1.5 Non-Service expenditure is projected to have a favourable variance of £0.197m against the revised budget of £21.382m. These budgets primarily relate to income from council tax, national non-domestic rates (NNDR, or 'business rates') and investment interest. The favourable variance of £0.088m on Finance & Investment Income/Expenditure is attributed to the bank interest rate remaining higher than initially forecast. Of the £0.084m favourable variance on Taxation & Non-Specific Grant Income £0.200m relates to an expected additional surplus from the Nottinghamshire Business Rates pooling arrangements and is offset by £0.120m which relates to the reduction in Drainage Board levy support grant allocation from Government.
- 1.6 There is a forecast favourable variance of £0.101m on the transfer to unusable reserves. This is due a lower Minimum Revenue Provision (MRP) charge to revenue than budgeted, due to the saving generated in interest cost in 2023/24 which meant that lowering borrowing levels were necessary as per the outturn report approved at Cabinet on 23rd July 2024.

## Overview of Projected Housing Revenue Account (HRA) Outturn for 2024/25

- 1.7 With reference to the 'Variance' column in *Table 2*, the HRA accounts show a projected favourable variance on the Net Cost of HRA Services against the revised budget of £0.134m. Overall there is an increase in the forecast transfer to the Major Repairs Reserve of £0.033m:

*Table 2: HRA revenue outturn for 2024/25 financial year as at 30 September 2024*

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Expenditure	22.571	22.765	22.894	0.129
Income	(30.226)	(30.251)	(30.514)	(0.263)
<b>Net Cost of HRA Services</b>	<b>(7.655)</b>	<b>(7.486)</b>	<b>(7.620)</b>	<b>(0.134)</b>
Other Operating Expenditure	0.027	0.027	0.027	0.000
Finance & Investment Income/Expenditure	3.955	3.955	4.056	0.101
Taxation & Non Specific Grant Income	0.000	0.000	0.000	0.000
<b>(Surplus)/Deficit on HRA Services</b>	<b>(3.673)</b>	<b>(3.504)</b>	<b>(3.537)</b>	<b>(0.033)</b>
<b>Movements in Reserves</b>				
Transfer to/(from) Usable Reserves	(0.027)	(0.196)	(0.196)	0.000
Transfer to/(from) Unusable Reserves	(6.269)	(6.269)	(6.269)	0.000
Transfer to/(from) Major Repairs Reserve	9.969	9.969	10.002	0.033
<b>Total</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

- 1.8 The unfavourable variance of £0.101m in the Finance & Investment Income/Expenditure line relates to an earlier than originally forecast need to borrow external funds due to the cash flow requirements of the Council.
- 1.9 The main reasons for the £0.134m favourable variance on services are detailed at **Appendix B**.

## Overview of Projected Capital Outturn 2024/25

- 1.10 The table below summarises the position for the Capital Programme as at 30 September 2024 and is split between General Fund and Housing Revenue Account.

	Original Approved Budget £'m	Current Approved Budget £'m	Revised Budget updated for Approval £'m	Actual Spend to 30 September 2023 £'m	Forecast Outturn £'m
General Fund	25.599	34.305	28.442	5.012	28.442
Housing Revenue Account	25.808	28.927	21.025	8.459	21.025
<b>Total</b>	<b>51.407</b>	<b>63.232</b>	<b>49.467</b>	<b>13.471</b>	<b>49.467</b>

1.11 As projects are developed and spending commitments are made, budget requirements can change. It is a requirement that Cabinet approve all variations to the Capital Programme. Following the Cabinet meeting on 10 September 2024, the total approved budget was £63.232m. The additions and amendments that now require approval at Cabinet on 3 December 2024 to reduce the total (General Fund and HRA) revised budget, as summarised in the table above, to £49.467m.

Scheme	General Fund £'m	HRA £'m
<b>Original Budget</b>	<b>25.599</b>	<b>25.808</b>
Slippage from 2023/24	10.297	3.291
Quarter 1 approved changes reported to PPIC on 2/9/24	(1.591)	(0.172)
<b>Current Revised Budget</b>	<b>34.305</b>	<b>28.927</b>
<b>Reprofiles to future years</b>		
Leisure Provision	(2.200)	0.000
Yorke Drive Regeneration & Community Facility	(0.700)	0.000
Clipstone Holding Centre	(0.172)	0.000
Former Belvoir Iron Works	(0.845)	0.000
Jubilee Bridge Works	(0.333)	0.000
14 Market Place	(0.200)	0.000
Lowdham Flood Alleviation	(0.100)	0.000
Towns Fund – 32 Stodman Street Regeneration	(1.800)	0.000
Site Acquisition	0.000	(0.800)
Estate Regeneration	0.000	(4.900)
Phase 6	0.000	(1.922)
New Housing Management System	0.000	(0.289)
<b>Additions/Reductions</b>		
Carelines x1000 Mansfield Customers	0.195	0.000
Other changes Additions/Reductions	0.293	0.009
<b>Total Change</b>	<b>(5.863)</b>	<b>(7.902)</b>
<b>Revised budget to be approved</b>	<b>28.442</b>	<b>21.025</b>

1.12 A more detailed breakdown at scheme level, including some comments on projects progress, can be found at **Appendix C** (General Fund) and **Appendix D** (Housing Revenue Account).

## 2.0 **Implications**

In writing this report and in putting forward recommendation's officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

**Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2025 as at 30 June 2024 to Cabinet on 10 September 2024.