



Report to: Policy & Performance Improvement Committee – 10 March 2025
 Director Lead: Sanjiv Kohli, Deputy Chief Executive, Director - Resources
 Lead Officer: Nick Wilson, Business Manager – Financial Services

Report Summary	
Report Title	Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2025 as at 31 December 2024
Purpose of Report	<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>
Recommendations	<p>That the Policy & Performance Improvement Committee note:</p> <p>(a) the General Fund projected favourable outturn variance of £0.250m;</p> <p>(b) the Housing Revenue Account projected favourable outturn variance of £0.500m to the Major Repairs Reserve;</p> <p>(c) the Capital Programme forecast Outturn of £42.162m.</p>

1.0 Background

Overview of General Fund Revenue Projected Outturn for 2024/25

Current position (as at 31 December 2024): variances

1.1 *Table 1* shows a projected favourable variance on Service budgets against the revised budget of £1.023m, with an overall favourable variance of £0.250m 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 31 December 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 31 December 2024

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Climate and the Environment	3.270	3.283	2.906	(0.377)
Health, Wellbeing and Leisure	1.456	1.608	0.775	(0.833)
Heritage, Culture and the Arts	1.079	1.111	0.866	(0.245)
Housing	0.732	0.815	1.013	0.198
Public Protection and Community Relations	3.026	3.179	3.049	(0.130)
Strategy, Performance and Finance	8.496	9.204	9.485	0.281
Sustainable Economic Development	1.728	2.503	2.586	0.083
Net Cost of Services	19.787	21.703	20.680	(1.023)
Other Operating Expenditure	4.932	4.875	4.874	(0.001)
Finance & Investment Income/Expenditure	(1.736)	(1.736)	(1.601)	0.135
Taxation & Non-Specific Grant Income	(24.578)	(24.578)	(25.767)	(1.189)
Net Cost of Council Expenditure	(1.595)	0.264	(1.814)	(2.078)
Transfer to/(from) Usable Reserves	0.794	(1.065)	(0.565)	0.500
Transfer to/(from) Unusable Reserves	0.801	0.801	2.129	1.328
Transfer to/(from) General Reserves	0	0	0.250	0.250

- 1.2 A favourable variance of £1.023m is currently being projected on service budgets managed by business managers. This represents 4.71% 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 £0.428m 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 £1.481m, which represents 6.62% (5.10% as at 30 September 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 £1.055m 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 unfavourable variance of £0.135m on Finance & Investment Income/Expenditure is attributed to the bank interest rate remaining higher than initially forecast, whilst internal borrowing between the HRA and the General Fund is expected to be lower than forecast. Of the £1.189m favourable variance on Taxation & Non-Specific Grant Income £0.444m relates to an expected additional surplus from the Nottinghamshire Business Rates pooling arrangements together with the return

of £0.860m from the Pool's volatility reserve. This 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 additional transfer to unusable reserves of £1.328m. This is mainly due to a forecast Voluntary Revenue Provision of £1.429m in order to reduce borrowing costs in future years. This was referenced within the Medium Term Financial Plan approved at Cabinet on February 18 2025 as a mitigation towards meeting the financial gaps in future years of the MTFP.
- 1.7 There is a forecast additional transfer to usable reserves of £0.500m. This relates to the creation of a reserve specifically to fund the potential increase in 25/26 pay award over and above the 3% currently budgeted for.

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

- 1.8 With reference to the 'Variance' column in *Table 3*, the HRA accounts show a projected unfavourable variance on the Net Cost of HRA Services against the revised budget of £0.061m. Overall there is an increase in the forecast transfer to the Major Repairs Reserve of £0.500m:

Table 3: HRA revenue outturn for 2024/25 financial year as at 30 December 2024

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Expenditure	22.571	22.781	22.545	(0.236)
Income	(30.226)	(30.251)	(29.954)	0.297
Net Cost of HRA Services	(7.655)	(7.470)	(7.409)	0.061
Other Operating Expenditure	0.027	0.011	0.011	0
Finance & Investment Income/Expenditure	3.955	3.955	3.394	(0.561)
Taxation & Non Specific Grant Income	0	0	0	0
(Surplus)/Deficit on HRA Services	(3.673)	(3.504)	(4.004)	(0.500)
Movements in Reserves				
Transfer to/(from) Usable Reserves	(0.027)	(0.196)	(0.196)	0
Transfer to/(from) Unusable Reserves	(6.269)	(6.269)	(6.269)	0
Transfer to/(from) Major Repairs Reserve	9.969	9.969	10.469	0.500
Total	0	0	0	0

- 1.9 The favourable variance of £0.561m in the Finance & Investment Income/Expenditure line relates to the current in year borrowing being allocated to the HRA fund and therefore revising the forecast internal borrowing charge to the General Fund via the item 8 credit and debit determination calculation.
- 1.10 The main reasons for the £0.061m unfavourable variance on services are detailed at **Appendix C** and the main reasons for the changes in variance between this report and the report for the previous quarter, ended 30 September 2024, are in **Appendix D**.

Overview of Projected Capital Outturn 2024/25

1.11 The table below summarises the position for the Capital Programme as at 31 December 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 31 December 2024 £'m	Forecast Outturn £'m
General Fund	25.599	28.442	21.200	10.675	21.241
Housing Revenue Account	25.808	21.025	20.921	12.265	20.921
Total	51.407	49.467	42.121	22.940	42.162

1.12 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 meeting of 3 December 2024, the total approved budget was £49.467m. The additions and amendments that now require approval at Cabinet on 11 March 2025 to reduce the total (General Fund and HRA) revised budget to £42.121m as summarised in the table below.

Scheme	General Fund £'m	HRA £'m
Original Budget	25.599	25.808
Slippage from 2023/24	10.297	3.291
Quarter 1 approved changes reported to PPIC on 2/9/24	(1.591)	(0.172)
Quarter 2 approved changes reported to PPIC on 25/11/24	(5.863)	(7.902)
Current Revised Budget	28.442	21.025
Reprofiles to future years		
Information Technology Investment	(0.435)	
SLC Fire Safety Remedial Works	(0.393)	
Museum Improvements	(0.184)	
Castle - Condition Works	(0.134)	
Towns Fund - 32 Stodman Street Regeneration	0.150	
Housing Regeneration Loan Facility	(3.000)	
Southern Link Road Contribution	(2.389)	
Castle Gatehouse Project	(1.286)	
New Housing Management System		(0.100)
Other Changes	(0.154)	(0.249)
Additions/Reductions		
Leisure Equipment Purchase	(0.158)	
Ollerton Regeneration	0.500	
Shared Prosperity Fund	(0.111)	
Lighting at St Marys Gardens - SPF	0.141	
Other Structural		0.253
Thermal Comfort		(0.100)

Allenby Road Conversion		0.140
Void Works		0.150
Fire Safety		(0.214)
Enhanced Fire Risk Assessments		0.115
Disabled Adaptations		(0.125)
Major Adaptations		0.115
Building Safety		(0.100)
Building Safety		(0.190)
Phase 6		(0.600)
Phase 6 Cluster 1		0.600
Other Changes	0.211	0.201
Total Change	(7.242)	(0.104)
Revised budget to be approved	21.200	20.921

- 1.13 If these variations are approved, then the revised budget will be reduced to £42.121m. A more detailed breakdown at scheme level, including comments on projects progress, can be found at **Appendix C** (General Fund) and **Appendix D** (Housing Revenue Account).

Capital Programme Resources

- 1.14 The Capital resources available to the Council are not static. Capital receipts are generated throughout the year, additional grants and contributions are paid to the Council, and borrowing may be increased to fund some projects.
- 1.15 In summary, the revised budget of £42.121m will be financed as follows, with every attempt to minimise the impact on the Council's revenue budget of financing costs:

	General Fund £'m	Housing Revenue Account £'m	Total £'m
Borrowing	7.247	1.182	8.429
External Grants & Contributions	1.725	0.360	2.085
Capital Receipts	0.076	0.000	0.076
Community Infrastructure Levy	5.903	5.771	11.674
Revenue Contributions	6.249	13.608	19.857
Total	21.200	20.921	42.121

Capital Receipts

- 1.16 The Council has been successful in securing capital receipts for both general fund and HRA in previous years and continues to do so. The current level of capital receipts is detailed in the table below:

	General Fund £'m	HRA Receipts £'m	HRA 1-4-1 Receipts £'m	Total £'m
Balance at 1st April 2024	0.039	0.120	0.000	0.159
Received up to end of December 2024	2.403	0.197	0.295	2.895
Estimated receipts for remainder of the financial year	0.115	0.043	0.065	0.223
Approved for financing	1.725	0.000	0.360	2.085
Available Capital receipts balance at 31 March 2025	0.832	0.360	0.000	1.192
Estimated Receipts 2025/26 - 2027/28	5.966	0.777	1.166	7.909
Approved for Financing 2025/26 - 2027/28	6.048	1.118	0.644	7.810
Estimated Uncommitted Balance	0.750	0.019	0.522	1.291

2.0 Implications

2.1 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

Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2025 as at 30 September 2024 to Cabinet on 3 December 2024.