



Report to: Policy & Performance Improvement Committee – 30 June 2025

Director Lead: Sanjiv Kohli – Deputy Chief Executive and Director - Resources

Lead Officer: Nick Wilson, Business Manager – Financial Services

Report Summary	
Report Title	Provisional Financial Outturn Report to 31 March 2025
Purpose of Report	<p>To present to Members the provisional 2024/25 financial outturn position on the Council’s revenue and capital budgets, including:-</p> <ul style="list-style-type: none"> • General Fund Revenue • Housing Revenue Account • Capital Programme • Provisions and Impaired Estimates on Debtors • Usable Reserves • Collection Fund <p>This report provides Members with a summary of actual income and expenditure compared to the revised budget and how any surpluses/deficits have been allocated to/from reserves.</p>
Recommendations	<p>That the final outturn of revenue and capital spending for 2024/25 be noted;</p> <p>That the capital financing proposals as set out in table 5 at paragraph 1.19 are noted;</p> <p>Capital Programme reprofiling of £7.817m carried forward into 2025/26 as per appendices E and F be noted;</p> <p>That the movement in Provisions and Impaired Estimates on Debtors be noted;</p> <p>That the creation of the new reserve, as outlined in paragraph 1.28, be approved; and</p>

	That the individual contributions to, and withdrawals from, the revenue and capital Usable Reserves be noted.
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1.0 Background

Overview of Provisional General Fund (GF) Revenue Outturn for 2024/25

- 1.1 The accounts show a favourable variance of £1.744m on service budgets, with a total favourable variance of £3.384m as follows:-

Table 1: General Fund Revenue Outturn for 2024/25 Financial Year as at 31 March 2025

	Budget £'m	Outturn £'m	Variance £'m
Climate and the Environment	2.990	2.369	(0.621)
Health, Wellbeing and Leisure	1.413	0.446	(0.967)
Heritage, Culture and the Arts	0.887	0.593	(0.294)
Housing	0.439	0.545	0.106
Public Protection and Community Relations	2.847	2.721	(0.126)
Strategy, Performance and Finance	8.509	8.600	0.091
Sustainable Economic Development	1.958	2.025	0.067
Net Cost of Services	19.043	17.299	(1.744)
Other Operating Expenditure	4.814	4.734	(0.080)
Finance & Investment Income & Expenditure	(1.760)	(1.707)	0.053
Taxation & Non Specific Grant Inc	(24.335)	(25.847)	(1.512)
Net Cost of Council Expenditure	(2.238)	(5.521)	(3.283)
Transfer to/(from) Unusable Reserves	2.784	2.683	(0.101)
Transfer to/(from) Usable Reserves	(0.546)	2.838	3.384
Transfer to/(from) General Balance	0.000	0.000	0.000

- 1.2 Based on the table above, usable reserves have increased by £3.384m. This increase has been applied to a number of different reserves described at paragraphs 1.25 and 1.26 later in this report. The statutory General Fund balance has not varied during the year and remains at £1.500m, which is in accordance with the Medium-Term Financial Plan approved on 6 March 2025.
- 1.3 The table below shows further detail regarding the variances which make up the additional transfer of £3.384m into Usable Reserves:-

Reason for Variance	Value £'m
Reduction in need for Active4today management fee, £0.587m, mainly due to reduction in utility costs. VAT refund received in year, £0.155m, in respect of non-business vat sporting claim.	(0.742)

Government enacted the Bellwin scheme during 2024/25 enabling the Council to claim for flooding costs from storm Babet and Henk incurred during 2023/24.	(0.095)
Prices of Petrol & Diesel have stabilised since the budget setting for 2024/25 resulting in a favourable outturn variance	(0.093)
Additional net income generated at the Palace Theatre.	(0.153)
Favourable variance on electricity and gas costs across corporate Council buildings due to stabilisation of prices compared to the forecast price increase at budget setting for 2024/25.	(0.352)
The admin grant for localised council tax support is no longer paid separately by the Government and has now been rolled into the revenue support grant.	0.096
Unfavourable income variance from planning applications is attributed to a decline in major submissions, driven by continued market caution influenced by ongoing external factors.	0.208
Over achievement in income on the waste and recycling department which includes glass collection, trade waste and garden waste.	(0.274)
Additional recharges to the HRA due to increase on the demand for vehicle repairs due to the aging fleet.	(0.057)
Net favourable variance on private sector speech call mainly due to increase in customer base regarding the transfer of customers from Mansfield District Council.	(0.047)
Other Variances.	(0.235)
Favourable variance on services	(1.744)
Release of bad debt provision, £0.096m, and the net variance on apprentice levy and corporate contingency.	(0.111)
Net variance on interest receivable and payable.	0.084
Additional income from the Nottinghamshire Business Rates Pool.	(0.773)
Redistribution of the Nottinghamshire Business Rates Pool volatility funding.	(0.860)
Reduction in Minimum Revenue Provision due to Bowbridge Road Carpark scheme not being complete by 31 st March 2024.	(0.101)
Reduction in Internal Drainage Board grant received in year compared with budgeted level.	0.121
Additional transfer to Usable reserves	3.384

- 1.4 Further details of the favourable variance on Service Budgets managed by the Business Managers of £1.744m against directorate budgets are in **Appendix A**.
- 1.5 Net Interest receivable had an unfavourable variance of £0.084m due to the timing of treasury transactions throughout the year and a reduction in charge to the HRA due to the timing of borrowing incurred by the HRA.
- 1.6 Business Rates amounted to £1.633m over the anticipated budgeted figure. £0.860m of this related to the redistribution of monies held by the Pool in relation to the County wide volatility fund, which was held to mitigate authorities going into a safety net position. As the fund hadn't been used for a number of years, and authorities unlikely to need to access this funding, it was felt it would be best utilised at each authority, rather than

being held centrally. The remaining £0.773m, £0.511m was additional returned funding from the Nottinghamshire Business Rates Pool generated from growth within Newark and Sherwood's Business Rates base, £0.031m was returned from Central Government based on a surplus generated on the national levy account and £0.231m as additional grant funding from central government based on decisions regarding Business Rates billing meaning that the Council cannot invoice/reduced invoices to certain businesses hence Government compensates the Council for this.

- 1.7 The Council received £0.121m less in grant funding compared with budget (and previous year actual for which the budget was based upon) in relation to Internal Drainage Board (IDB) levies. The Council had received, during 2023/24, £0.238m in relation to the increase in levy cost over recent years due to the impact of the cost of utilities at the IDB's together with the number of flooding incidents the IDB's need to respond to.

Final position (as at 31 March 2025) compared to previous position (as at 31 December 2024)

- 1.8 The previous budget monitoring report to Cabinet projected a favourable variance against the revised budget of £1.023m on Service budgets. This report describes the actual favourable variance, against the revised budget, of £1.744m on Service budgets: an increase of £0.721m. *Table 2* summarises the changes in variance against committee budgets between the two reports. Further details of these changes by Portfolio are in **Appendix B**.

Table 2: General Fund Revenue Outturn: Changes in Variance by Committee Between Reports

Net Cost of Services variance as at 31/12/2024 (11/03/2025 Cabinet report)	(1.023)
Climate and the Environment	(0.244)
Health, Wellbeing and Leisure	(0.134)
Heritage, Culture and the Arts	(0.049)
Housing	(0.092)
Public Protection and Community Relations	0.004
Strategy, Performance and Finance	(0.190)
Sustainable Economic Development	(0.016)
Net Cost of Services variance as at 31/03/2025 (08/07/2025 Cabinet report)	(1.744)

Carry Forwards

- 1.9 Previous years have seen officers requesting carry forwards of underspends that relate to the timing of payments that have extended past the year-end date of 31st March in year. This year, the s151 Officer has approved £0.700m to be carried forward into 2025/26.
- 1.10 Any unspent conditional grants are dealt with separately and are transferred to the balance sheet for either repayment or expenditure in the following year dependent upon its terms and conditions.

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

- 1.11 The financial outturn position to 31 March 2025 for the HRA before appropriations to reserves is a surplus of £0.978m. *Table 3* summarises these variances.

Table 3: HRA Revenue Outturn for 2024/25 Financial Year as at 31 March 2025

1.12	Budget £'m	Outturn £'m	Variance £'m
Expenditure	28.225	27.692	(0.533)
Income	(30.255)	(30.324)	(0.069)
Net Cost of HRA Services	(2.030)	(2.632)	(0.602)
Other Operating Expenditure	(0.006)	0.181	0.187
Finance & Investment Income/Expenditure	4.070	3.525	(0.545)
Taxation & Non Specific Grant Income	(1.512)	(1.530)	(0.018)
(Surplus)/Deficit on HRA Services	0.522	(0.456)	(0.978)
Movements in Reserves			
Transfer to/(from) Usable Reserves	0.709	1.687	0.978
Transfer to/(from) Unusable Reserves	(11.200)	(11.200)	0
Transfer to Major Repairs Reserve - Depreciation	6.388	5.859	(0.529)
Transfer to Major Repairs Reserve – Revenue Contribution	3.581	4.110	0.529
Total	0	0	0

Further details of the variances against HRA budgets are in **Appendix C**.

- 1.13 Further details of the changes in variance between this report and the previous report are in **Appendix D**.

Overview of Provisional Capital Outturn for 2024/25

- 1.14 Capital monies are spent on building or enhancing the Council's asset base. There are rules and regulations regarding what can be classed as capital expenditure, and this spend must be financed separately from the day to day running costs of the Council.
- 1.15 Members approve all variations to the Capital Programme. At its meeting on 11 March 2025, Cabinet approved the revised budget of £42.121m. Further variations reduced the budget by £0.406m to a final amount of £41.716m. This has been included in the detail at **Appendix E**.
- 1.16 The accounts show actual expenditure of £32.936m, resulting in of £8.780m or 21% of the revised budget. Some slippage in capital schemes is expected at the end of the financial year as timing of expenditure changes. To ensure the overall project budget remains intact, it is proposed that reprofiling of £7.817m (£4.812m GF and £3.004m HRA) to 2025/26 as detailed in **Appendices E and F**. This is because there are commitments in

place or schemes still expected to start. For clarity, where a scheme has been completed, any remaining budgets will not be carried forward.

Table 4: GF and HRA Capital Outturn for 2024/25 Financial Year as at 31 March 2025

Spend Type	Budget Approved as per Cabinet 11/3/25 £'m	Revised Post Cabinet £'m	Outturn £'m	Variance £'m
GF	15.605	15.191	9.715	(5.476)
GF REFCUS*	5.595	5.604	5.346	(0.258)
GF Total	21.200	20.795	15.060	(5.734)
HRA	20.824	20.824	17.778	(3.045)
HRA REFCUS*	0.098	0.098	0.098	0.000
HRA Total	20.921	20.921	17.876	(3.045)
GF and HRA Total	42.121	41.716	32.936	(8.780)

*REFCUS relates to Revenue Expenditure funded from Capital under Statute i.e. expenditure on non-Council-owned assets e.g. disabled facilities grants.

1.17 The GF variance of £5.734m is comprised of £4.812m of carry forward requests, and favourable variances of £0.922m. Further details are in **Appendix E**.

1.18 The HRA variance of £3.045m is comprised of £3.004m of carry forward requests and favourable variances of £0.041m. Further details are in **Appendix F**.

1.19 Total Capital spend in the year of £32.936m has been financed by a combination of borrowing, external grants and contributions, receipts, major repairs reserve and revenue contributions. It is proposed that Cabinet approve the revised capital financing proposals as summarised in *Table 5*:

Table 5: Proposed 2024/25 GF and HRA Capital Outturn Financing

Source of Financing	GF Programme £'m	HRA Programme £'m	Total £'m
External Grants & Contributions	8.189	1.513	9.702
Capital Receipts	1.642	0.300	1.942
Community Infrastructure Levy	0.031	0.000	0.031
Revenue Contributions	1.984	4.454	6.438
Borrowing	3.214	11.609	14.823
Total Financing	15.060	17.876	32.936

*Revenue contribution includes £1.757m transfers from reserves and £0.227m in year revenue contributions.

Provisions for Future Liabilities

1.20 Provisions are made when an event has taken place that gives the Council an obligation that probably requires settlement, can be reasonably estimated, but where the timing of the payment is uncertain. Good practice requires that any movements in a Provision should be approved separately by Cabinet. The provisions in the table below relate to alterations and appeals against the rateable values (RV) provided for on properties in the National Non-Domestic Rating list (NNDR). The amounts shown in the Statement of Accounts (and hence in the table below) relate to this Council's element for the provision for appeals. 2023/24 saw the release of a refreshed rating list from the valuation office. This is the third such list since rates retention came into effect in April 2013. As a result of the new list being released, from April 2023 no further appeals for the prior lists are able to be lodged, this in turn has resulted in lower threats to our rating income. During the year 2024/25, £0.616m was charged against the provision in due to RV adjustments in relation to the 2017 and 2023 rating lists and £0.720m was added to the provision (£0.107m was added for the 2017 list provision and £0.613m was added for the 2023 list provision). 40% of all provisions are applicable to NSDC (£0.246m charge and £0.288m increase therefore £0.042m as the NSDC share). The provisions provided for in *Table 6* are the Council's 40% share, as follows:

Table 6: 2024/25 Movements in GF Provision – NNDR

General Fund Provision (NNDR) – Period of Settlement for Appeals	Balance B/Fwd 01/04/2024 £'m	Movement in Year £'m	Actual Balance 31/03/2025 £'m
Provision for Appeals – NNDR settled within 12 months	(0.202)	(0.102)	(0.304)
Provision for Appeals – NNDR settled after 12 months	(0.377)	0.060	(0.317)
Provision for Appeals – NNDR Total	(0.579)	(0.042)	(0.621)

1.21 The Council receive external advice (from Analyse Local) relating to the level of provision that should be held. Analyse Local have used their knowledge and understanding from a national perspective to estimate the total liability for the 2017 list which amounts to £0.203m and a total liability for the 2023 list amounting to £1.323m. This gives a total provision at Collection Fund level of £1.553m of which this Council recognises 40% (£0.621m) due to its share of the overall NNDR income.

Impaired Estimates on Debtors

1.22 Impaired Estimates on Debtors is an estimation of the amount that will remain uncollectable after a certain time period and may require write off in the future accounts of the Council. The calculation is based upon on the age and amounts of debt owed to the Council based on a hierarchical percentage i.e. the older the debt, the greater likelihood of non-collection. Good practice requires that movements in the Impaired Estimates on Debtors should be approved separately by Members. *Table 7* details these:

Table 7: 2024/25 Movements in GF and HRA Impaired Estimates on Debtors

Debtor Type	Balance B/Fwd 01/04/2024 £'m	Write Offs in Year £'m	(Increase) / Decrease in Provision £'m	Actual Balance 31/03/2025 £'m
GF - Sundry Debts	(0.165)	0.004	0.036	(0.125)
GF - Housing Benefit	(1.001)	0.123	0.060	(0.818)
GF – Impaired Estimates on Debtors	(1.166)	0.127	0.096	(0.943)
HRA - Sundry and Other Debts	(0.019)	0.020	(0.016)	(0.015)
HRA - Former Tenants	(0.293)	0.043	(0.135)	(0.385)
HRA - Current Tenants	(0.055)	0.004	(0.040)	(0.091)
HRA – Impaired Estimates on Debtors	(0.367)	0.067	(0.191)	(0.491)

Usable Capital Reserves

1.23 A Reserve is created for a specific future purpose or to cover contingencies. In accordance with the Code; these Usable Reserves must be separately identified between those that are retained for Capital purposes and those that are retained for Revenue purposes. Again, good practice dictates that any movements in existing reserves, or the creation of any new reserves, be approved by Members.

1.24 Capital reserves are used to fund spend incurred on the approved capital programme. *Table 8* details the position as at 31 March 2025:

Table 8: Capital Reserves used to Fund GF and HRA Capital Programmes as at 31 March 2025

Capital – Type of Reserve Used to Fund Capital Programme	Balance B/Fwd 01/04/2024 £'m	Cont'n in Year £'m	Use in Year £'m	Actual Balance 31/03/2025 £'m	Anticipated balance at 31/03/2029 £'m
Capital - GF					
Usable Capital Receipts	0.039	2.805	1.643	1.201	0.038
Capital Grants Unapplied	11.157	2.261	0.031	13.387	13.387
Capital – HRA					
Usable Capital Receipts – HRA	0.120	0.219	0.304	0.035	0.512
Usable Capital Receipts - RTB's	0	0.359	0.300	0.059	0.889
Capital Grants Unapplied	0	0.271	0.271	0	0
Major Repairs Reserve (MRR)	8.025	9.969	7.492	10.502	5.277
Capital - Total	19.341	15.884	10.041	25.184	20.103

Usable Revenue Reserves

1.25 Revenue reserves are used to fund anything that is not capital in nature, albeit can be applied to capital expenditure if necessary. They cover such areas as donations, external grants and contributions for future service provision, or specific sums of money held for a specific purpose. The tables below show high level balances against the categories of the reserves that are held for each fund together with current approved commitments and hence a forecast balance. **Appendix G** details the movement on General Fund Reserves and **Appendix H** shows HRA Reserves.

General Fund	Opening Balance £'m	Closing Balance £'m	Commitments £'m	Forecast Balance £'m
Budget funding reserve	(9.838)	(9.012)	5.696	(3.316)
Earmarked for Known Pressure	(7.288)	(8.761)	3.166	(5.595)
Ringfenced	(2.037)	(2.555)	0.265	(2.290)
Un-ringfenced	(13.486)	(15.286)	11.417	(3.869)
Total	(32.649)	(35.614)	20.544	(15.070)

1.26 Overall the Council has increased its General Fund reserves position by £2.965m. This is attributed to:

	£'m
Brought Forward Reserves balance	32.649
Budgeted increase in reserves	0.794
Contributions to Capital Expenditure	(1.757)
Favourable variance in cost of running Council	3.384
Other movements	0.544
Reserves balance as at 31st March 2025	35.614

HRA	Opening Balance £'m	Closing Balance £'m	Commitments £'m	Forecast Balance £'m
Earmarked for Known Pressure	(4.227)	(5.652)	1.806	(3.846)
Un-ringfenced	(2.000)	(2.000)	0.000	(2.000)
Total	(6.227)	(7.652)	1.806	(5.846)

1.27 Service variances combined with non-service related income and expenditure variances has meant that overall the District Council has increased its Housing Revenue Account reserves by £1.427m. This increase has been identified as being related to:

	£'m
Brought Forward Reserves balance	6.227
HRA agreed Carry Forwards	0.233
Unused efficiency savings	0.348
Favourable variance in cost of running HRA	0.978
Other movements	(0.132)
Reserves balance as at 31st March 2025	7.654

1.28 During the year one new General Fund reserve has been set up:

Reserve name	Balance as at 31 Mar 2025 £'m	Purpose
Residential Food Waste	(0.260)	Funding has been received from DEFRA under the New Burdens scheme to support the delivery of containers and project management for the implementation of residential food waste collections.

The Collection Fund 2024/25

- 1.29 The Collection Fund accounts for the income from the collection of Council Taxes and Business Rates, and the subsequent disbursement to local authority preceptors and central government.
- 1.30 The in-year surplus on the Council Tax account was £0.061m, which reduced the overall deficit from £1.324m at 1 April 2024 to £1.263m at 31 March 2025.
- 1.31 The Code prescribes that the Statement of Accounts only show the element of Council Tax that relates to Newark & Sherwood District Council. In this regard, the share of the Council Tax deficit of £1.263m that relates to Newark & Sherwood District Council as at 31 March 2025 is £0.147m. A deficit of £1.500m was estimated during January 2025 and is therefore being recouped during 2025/26 from Council Tax preceptors. £0.174m of this related to Newark & Sherwood DC and has been budgeted for accordingly.
- 1.32 The in-year deficit on the Business Rates account was £1.303m, which reduced the overall surplus from £1.997m at 1 April 2024 to £0.694m at 31 March 2025.
- 1.33 The Code prescribes that the Statement of Accounts only show the element of business rates that relates to Newark & Sherwood District Council. In this regard, the share of the business rates surplus that relates to Newark & Sherwood District Council as at 31 March 2025 is £0.277m. The Council declared an estimated surplus as at 31st March 2025 of £0.631m during January and hence £0.252m has been included within the 2025/26 budget.

1.34 Impaired provisions on council tax and business rates debtors is an estimation of the amount that will remain uncollectable after a certain time period. This may be required to be written off in future by all preceptors depending on their share of the Collection Fund. The calculation is based upon on a historical experience of bad debt, i.e. experience shows 0.8% of net liability is written off for council tax, 0.7% for business rates. Where a debt is written off, for every £1.00 in council tax, £0.11p is reflected in the Councils accounts, the remaining balance is split between the remaining preceptors. For every £1.00 of business rates written off, £0.40 is reflected in the Councils accounts.

2024/25 Movements in CF Impaired Estimates on Debtors

Debtor Type	Balance B/Fwd 01/04/2024 £'m	Write Offs in Year £'m	(Increase) / Decrease in Provision	Actual Balance 31/03/2025 £'m
CF - Council Tax Debts	(3.861)	0.803	(0.729)	(3.787)
CF - Business Rates Debts	(0.704)	0.231	(0.392)	(0.865)
CF – Impaired Estimates on Debtors	(4.565)	1.034	(1.121)	(4.652)

Pensions

1.35 The details regarding the Council’s share of the Nottinghamshire County Council Pension Fund are provided for Members consideration at **Appendix I**.

1.36 Barnett Waddingham are the Pension Fund’s appointed Actuary and their report sets out the assumptions used to prepare the IAS19 pension figures reported in the Council’s accounts. It is best practice to consider these assumptions prior to agreeing their use and inclusion in the Statement of Accounts for 2024/25. The Audit & Governance Committee considered these at their meeting in April 2025.

2.0 Proposal/Options Considered and Reasons for Recommendation

2.1 To approve the Financial Outturn position for the Council for the 2024/25 financial year.

3.0 Implications

3.1 In writing this report and in putting forward recommendations 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

Statement of Accounts files & working papers 2024/25

Capital Finance Account’s 2024/25 files

Housing Revenue Account’s 2024/25 files