

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL  
CABINET – TUESDAY, 25 MARCH 2025**



<b>Title of Report</b>	<b>QUARTER 3 GENERAL FUND FINANCE UPDATE</b>	
<b>Presented by</b>	Councillor Nick Rushton Corporate Portfolio Holder  <div style="text-align: right;">PH Briefed <input type="checkbox"/> Y</div>	
<b>Background Papers</b>	<b>Council 22 February 2024:</b>  <a href="#">General Fund Budget and Council Tax 2024/25</a>	<b>Public Report:</b> Yes
	<b>Cabinet 9 January 2025:</b>  <a href="#">2024/25 Quarter 2 General Fund Finance Update</a>	<b>Key Decision:</b> Yes
<b>Financial Implications</b>	Any financial implications of this report are detailed in the body of the report and the attached appendices.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	No legal implications arising from this report.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	Any staffing implications of this report are detailed in the body of the report and the attached appendices.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To provide Cabinet with an update on the financial position on the General Fund as at Quarter 3 2024/25.	
<b>Reason for Decision</b>	Cabinet is responsible for making all of the necessary arrangements to ensure that the priorities identified by the Council are delivered within the Budget and Policy Framework and therefore financial reporting is brought to Cabinet to ensure that oversight is carried out.  To update Cabinet on Quarter 3 2024/25 and request approval for supplementary estimates as detailed in the recommendations below.	
<b>Recommendations</b>	<b>CABINET IS RECOMMENDED TO:</b>  <b>1. NOTE THE FORECAST OVERSPEND ON GENERAL FUND FOR 2024/25 OF £977K BASED ON QUARTER 3 INFORMATION.</b>	

	<p><b>2. NOTE THE SPECIAL EXPENSES FORECAST OUTTURN FIGURES FOR 2024/25 BASED ON QUARTER 3 INFORMATION.</b></p> <p><b>3. NOTE THE SUPPLEMENTARY ESTIMATES DETAILED ON APPENDIX 2 WHICH ARE BELOW £100K AND ARE EXTERNALLY FUNDED.</b></p> <p><b>4. APPROVE THE SUPPLEMENTARY ESTIMATES DETAILED ON APPENDIX 2 WHICH ARE ABOVE £100K AND ARE EXTERNALLY FUNDED.</b></p> <p><b>5. APPROVE ALL SUPPLEMENTARY ESTIMATES DETAILED ON APPENDIX 2 WHICH REQUIRE COUNCIL FUNDING.</b></p> <p><b>6. NOTE THE REVISED GENERAL FUND CAPITAL PROGRAMME DETAILED IN APPENDIX 5.</b></p> <p><b>7. APPROVES THE MOVEMENT FROM THE DEVELOPMENT POOL TO THE ACTIVE PROGRAMME FOR THE CAPITAL SCHEME DETAILED IN TABLE 5.</b></p>
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## **1.0 PURPOSE OF THE REPORT**

- 1.1 To inform Members of the spending position for the period 1 April 2024 to 31 December 2024 for the Council's General Fund focusing on the significant variances from the approved budgets. It should be noted that due to the subsequent backlog issues from the finance system implementation and the delay to closing the 2023/24 accounts, the in-depth analysis of the figures which would usually be undertaken has not been possible. Therefore, the focus has been on reporting the major variances based on the information available and discussions between Finance and the budget holders.
- 1.2 To update Members on supplementary estimates requested, to request approval for those over £100k which are externally funded, and for approval for those over £100k which are Council funded.
- 1.3 To update Members on the capital programme for the period 1 April 2024 to 31 December 2024 on the proposed resourcing of the capital programme and the level of Council capital resources available, including capital receipts.
- 1.4 To update Members on the changes to the capital programme and note the variations to scheme budgets and re-profiling of budgets to future years.
- 1.5 To provide Members with an update on the Council's Treasury Management activity during the period 1 April 2024 to 31 December 2024.

## 2.0 GENERAL FUND

### 2.1 General Fund Revenue

- 2.1.1 Table 1 below summarises the third quarter position summarised by Directorate. The current projections are that an overspend of £977k on the overall General Fund budget is expected for 2024/25.

**Table 1 – General Fund Revenue 2024/25 Quarter 3 Forecast Outturn Position**

Directorate	Revised Budget	Forecast	Variance	Variance
	£000	£000	£000	%
Chief Executive Directorate	2,677	2,892	215	8.03%
Place Directorate	2,485	2,885	400	16.10%
Community Services Directorate	7,166	8,136	970	13.54%
Resources Directorate	5,262	6,074	682	12.65%
Corporate & Democratic Core & Other Budgets	805	317	(488)	(60.62%)
<b>NET COST OF SERVICES</b>	<b>18,525</b>	<b>20,304</b>	<b>1,779</b>	<b>9.60%</b>
Net Recharges from General Fund	(1,859)	(2,084)	(225)	
<b>NET COST OF SERVICES AFTER RECHARGES</b>	<b>16,666</b>	<b>18,220</b>	<b>1,554</b>	
Total Corporate Items and Financing	1,496	939	(557)	
<b>NET REVENUE EXPENDITURE</b>	<b>18,162</b>	<b>19,159</b>	<b>997</b>	
Contribution to/(from) Balances/Reserves	(751)	(751)	0	
<b>NET EXPENDITURE (AFTER RESERVE CONTRIBUTIONS)</b>	<b>17,411</b>	<b>18,408</b>	<b>997</b>	
<b>FUNDING TOTAL</b>	<b>(17,411)</b>	<b>(17,431)</b>	<b>(20)</b>	
<b>FORECAST (UNDERSPEND) / OVERSPEND</b>	<b>0</b>	<b>977</b>	<b>977</b>	

- 2.1.2 Cabinet should note that although the position is a forecast, and could change by 31 March 2025, the overspend has been funded from the MTFP reserve in year. The Council's MTFP reserve was set up to manage deficits and funding volatility. It was created to ensure financial stability and sustainability over the medium term. It helps the Council manage financial risks and uncertainties such as economic fluctuations and unexpected expenditures. Work is still required between now and the end of the year to ensure the ledger is up to date for 2023/24 and 2024/25. As the 2023/24 data is yet to be finalised, this places risk on the 2024/25 data and any brought forward balances from 2023/24. To mitigate the risk additional short-term investment in the Finance Team means there is capacity to not only address the backlog but work on improving processes, implementing new systems and exploring system functionality. Despite the challenges, the Section 151 Officer is confident in the robustness of the financial forecasts. The Finance Team is working to process all transactions as swiftly as possible while maintaining accuracy and compliance with regulatory standards. The Council understands the importance of timely financial reporting and is committed to resolving

these delays. In the interim, our forecasts have been carefully constructed by collaborating closely with officers from all departments.

2.1.3 There are several variances that make up the forecast outturn detailed above. Appendix 1 gives a more detailed analysis of the forecast outturn variances by service.

2.1.4 A summarised analysis of the major factors that are contributing to the overspend are detailed below:

#### **Staffing £1,016k**

- There is a national issue for recruiting and retaining appropriately experienced staff into local government, North West Leicestershire is no different. To ensure the Council meets its duties, interim resource is being procured at generally a much higher cost than permanent staff.
- The 2024/25 Local Government Pay Award was nationally agreed recently, this is on average 1% above the amount included in the MTFP.
- The cost pressure is across the Council, with Waste Services being the highest.

#### **Income £366k**

- Vacant rental units are reducing the Council's income, along with agreed rent free periods due to unsuitable building conditions.
- Legal Services is unable to achieve the budgeted income due to a lack of external work.

#### **Other Major Items (£368k)**

- Temporary Accommodation demand and costs have increased across the district. Temporary accommodation is housing provided by the Council to individuals or families who are homeless or at risk of becoming homeless. Although new permanent units are being made available, there is a continual demand to replace those who have left temporary accommodation. This is a trend that is replicated across Leicestershire and the country as a whole.
- Repairs and maintenance to the Council's properties is increasing due to aging buildings and poor weather conditions.
- Repairs and maintenance of Council vehicles is increasing due to aging fleet.
- Higher than budgeted increase to the insurance premiums. This is not expected to be an ongoing cost, due to the approval of an Insurance Officer in the budget for 2025/26 who will proactively manage the contract.
- Treasury management savings due to Minimum Revenue Provision being lower than budgeted due to a reduction in borrowing and a loan being repaid earlier than budgeted.

2.1.5 The overall forecast outturn is an estimate based on current knowledge; these are subject to change. Many of the pressures have happened and the Council does not anticipate any fundamental changes that will affect the forecast, therefore the forecast overspend of £977k is expected to be funded from the MTFP reserve. This has been reflected in Table 2 show later in the report..

2.1.6 To provide a clearer understanding of the pressures mentioned above, the following paragraphs offer detailed context.

### Movement from Quarter 2 £2,136k to Quarter 3 £977k

2.1.7 The significant changes when comparing quarter three to quarter two are:

- Treasury Management (£558k) - savings due to Minimum Revenue Provision being lower than budgeted due to a reduction in borrowing and a loan being repaid earlier than budgeted. Minimum Revenue Provision (MRP) is the minimum amount that a council must set aside from its revenue budget each year to repay its external borrowing (loans)
- Planning Applications (£199k) – an upturn in planning applications in the last quarter is now expected meaning the Council will receive additional income compared to that at Quarter 2.
- Temporary Accommodation, (£101k) – additional central government grant funding received and reduction in forecasted costs.
- Staff costs (£86k) – the forecasted staff costs have been revised downward.

### Recruitment and Retention

2.1.8 Local authorities are increasingly facing rising costs due to their reliance on agency workers, as they struggle to fill permanent positions. According to a report by the Local Government Association (LGA), this trend is driven by a shortage of qualified candidates for essential roles, leading councils to depend on more expensive temporary staff.

- Approximately 16% of finance posts across England were vacant. 26% of accountancy roles were vacant, 21% of internal audit roles were vacant and 20 per cent of business partner roles were vacant.
- On average, local authority finance teams had a turnover of approximately 12.5% per annum and rising. Turnover in districts was higher. The main reason for employees leaving the service was for money. Staff leaving for retirement was the second most common reason.
- 4.5% of the finance workforce were agency/interim staff, with increasing expenditure forecast in this area. Most respondents stated that the main reason for using agency staff and interims was because the recruitment exercise did not deliver.

2.1.9 The inability to fill essential posts has significant implications for the services provided by local authorities. For instance, if key positions in waste management are not filled, waste collection and disposal services could be disrupted, leading to public health concerns and environmental issues.

2.1.10 The Council's struggle to recruit finance professionals is challenging. These roles are essential for ensuring that the Council meets its legislative requirements, such as delivering statements of accounts within statutory timeframes. Although the Council has faced challenges in this area, it has prioritised recruiting for positions that ensure compliance with the new financial reporting regime. Treasury management is another vital function that requires skilled personnel. Effective treasury management ensures that the Council has sufficient cash flow to pay its creditors and that surplus balances are invested to maximise income for the Council. Qualified staff in these roles, are essential to manage the Council's financial stability.

2.1.11 Planning is also an essential service that local authorities provide. However, recruiting for planning posts is particularly challenging. Planning income is volatile and hard to predict, making it difficult to manage budgets effectively. Planning departments are crucial for managing development and ensuring that local infrastructure meets the needs

of the community. Ensuring adequate staffing, reduces delays in planning approvals and inspections and aids local development projects and economic growth.

2.1.12 Recruitment and retention of legal posts is also challenging. The service has carried out a restructure and is offering market supplements in addition to the substantive grade. As a full legal service is needed to ensure the council is operating legally, any vacant posts are being covered by agency whilst recruitment takes place.

2.1.13 In summary, the reliance on agency workers due to recruitment challenges in essential areas such as finance, treasury management, legal and planning is driving up costs for local authorities. This not only puts pressure on budgets but also impacts the quality and reliability of the services they provide to the community.

#### Vacancy Control

2.1.14 Most local authorities make assumptions on how much will be saved through the gap between employees leaving and replacements taking up the vacant posts. These assumptions are fed into the budget process at the start of the financial year – this is called the vacancy allowance.

2.1.15 The Council operates a vacancy allowance whereby all services have a 3% rate which reduces the service budget. If the vacancy rate were to be removed entirely, then the Council would need to find additional ongoing savings. Vacancy savings are delivered when a post is vacant for any period of time, e.g. a post is vacant on 1 January 2024, and is not filled until 1 March 2024 i.e. two months. If the post was budgeted at £20k, then a saving of £3k would be delivered against the vacancy target.

2.1.16 Therefore, if a service does not have significant turnover, it is unlikely to meet its vacancy rate saving. Within waste services, there has been a range of factors that have contributed to the overspend. Whilst this includes the cost of agency to ensure delivery of frontline services, there have been further pressures from the vacancy allowance, loss of income from HRA services and vehicle parts.

#### Temporary Accommodation/Homelessness

2.1.17 There have been additional cost pressures associated with temporary accommodation; an issue reflected at the national level. This is a critical service, especially given the rising number of households in need. At the national level, according to the Local Government Association (LGA), the number of households living in temporary accommodation has increased by 89% over the past decade.

2.1.18 Several factors contribute to the reliance on temporary accommodation. These include:

- **Shortage of Social Housing:** There is a severe shortage of affordable social housing, forcing councils to use private temporary accommodations, such as hotels and Bed and Breakfast accommodation, which are more costly.
- **Rising Cost of Living:** The increasing cost of living and frozen Local Housing Allowance (LHA) rates have exacerbated the situation, making it harder for councils to find suitable permanent housing.
- **Homelessness Prevention:** Temporary accommodation is a crucial part of homelessness prevention strategies. It provides a safety net for those who have lost their homes, ensuring they have a place to stay while more permanent solutions are sought.

- **Financial Viability:** The gap between the costs incurred by councils for temporary accommodation and the amount reimbursed by the government has strained local government finances. Over the past five years, this subsidy gap has cost councils more than £700 million.

2.1.19 The use of temporary accommodation, while essential, is a significant financial burden on local authorities. Recent analysis demonstrates 8,083 cases across the district councils in the county during the period 2022 – 2024, with Hinckley and Bosworth, Charnwood and Harborough seeing the highest number of cases. Total overspends across Leicestershire districts was £1.5m and £0.9m in 2022/23 and 2023/24 respectively.

2.1.20 The financial pressures faced by local authorities in respect of homelessness was recognised in the Government's Autumn Statement with additional funding announced, however, this will not be allocated to local authorities until the 2025/26 financial year.

#### MTFP Savings

2.1.21 Savings proposals included in the previous year's MTFP of £550k in 2025/26 have been reviewed. £317k have been achieved, £83k will not be achieved and have been reversed in the recently approved MTFP and £150k is still expected to be achieved in future years. The detailed proposals are show in Appendix 1 (a).

#### Summary

2.1.22 While there is an overspend, the Council has incorporated mitigations in the budget proposals for 2025/26 to address some of the financial challenges. The challenges the Council faces are significant and common across all local authorities, indicating that the Council is not unique in this regard. The Council's focus will be on mitigating overspends in specific areas, for example, utilising market supplements for the difficult to recruit to posts.

2.1.23 Whilst suboptimal, the Council remains committed to ensuring financial sustainability over the medium term. The Council's transformation programme will aid in developing proposals that ensure that services deliver value for money. Departments will continue to review budgets to achieve necessary savings, despite the challenging and volatile climate and the rising demand for our services.

## **2.2 Virements**

2.2.1 A virement is where one or more budget(s) are reduced to fund an increase in another budget(s). There is no net change in the total budget agreed by Council arising from a virement.

2.2.2 There are no virements within quarter three which require approval by either Cabinet or Council.

## **2.3 Supplementary Estimates**

2.3.1 Supplementary estimates are a process that was also approved as part of the Constitution by Council in February 2023 as per paragraph 2.2.2 above.

2.3.2 A supplementary estimate is an addition to the Council's agreed budget and should only be considered after all other options such as virements or savings have been considered.

2.3.3 Supplementary estimates include budgets fully funded by external grants or contributions.

- 2.3.4 All supplementary estimates which require Council funding require Cabinet approval, whereas those fully externally funded are reported to Cabinet below £100k and require approval over £100k.
- 2.3.5 Appendix 2 details all supplementary estimates grouped by value and funding with details of the reasons for the requests. As can be seen from Appendix 2, the total external funding to be included in the 2024/25 budgets is £352k and the total to be transferred from reserves is £356k.

## 2.4 Section 106 Agreements

- 2.4.1 Section 106 agreement funds of £8.2m were held by the Council as at 31 March 2024. During the financial year, the Council has received an additional £2.0m contributions and £3.9m has been spent so far by the County Council, Police Authority and parish councils. A breakdown of the £6.2m balance as at 31 December 2024 is provided at Appendix 3.

## 2.5 General Fund Reserves

- 2.5.1 The Council holds reserves that are earmarked for a particular purpose and are set aside to meet known or predicted future expenditure in relation to that purpose. The reserves are monitored alongside the budget as part of budget monitoring.
- 2.5.2 Assuming that reserves are utilised in line with the timescales agreed as part of their approval, reserves represent an effective means of utilising surpluses and underspends whilst also ensuring delivery of projects.
- 2.5.3 Best practice indicates that reserves, if set aside for specific purposes, should be spent in accordance with projections. Finance clinics (this is a dedicated meeting between finance officers and Heads of Service/Team Managers) focus on ensuring that earmarked reserves are expended in a timely manner in line with the purposes in which they have been set aside.
- 2.5.4 Table 2 below summarises the forecasted position in respect of earmarked reserves and other reserves held by the Council. Full details by service can be found in Appendix 4.

**Table 2 – Usable Reserves forecast as at 31 March 2025**

Service Area	Provisional Balance as at 01/04/2024	Forecasted Movement (From)/To Reserves 2024/25	Forecasted Balance as at 31/03/2025
	£000	£000	£000
Service Earmarked Reserves	5,111	(89)	5,022
Business Rates	5,822	6,728	12,550
MTFP	7,588	(1,945)	5,643
Special Expenses	102	(90)	12
<b>Total Earmarked Reserves</b>	<b>18,623</b>	<b>4,603</b>	<b>23,226</b>
<b>Unallocated</b>			
General Fund	1,544	0	1,544
Special Expenses	61	0	61
<b>Total Reserves - General Fund &amp; Special Expenses</b>	<b>20,228</b>	<b>4,603</b>	<b>24,831</b>



## 2.6 General Fund Capital

- 2.6.1 The 2024/25 revised budget for General Fund capital is £14.532m and spend up to 31 December 2024 is £3.551m, which is 24.4% of the revised budget. The forecast outturn is £7.048m, 48.5% of the revised budget.

**Table 3 – Quarter 3 2024/25 Outturn on the General Fund Capital Programme**

Scheme	Revised Budget	Actual Expenditure	Forecast Outturn	Variance
	£000	£000	£000	£000
Active Programme	6,273	1,251	3,540	(2,733)
Development Pool	3,286	67	660	(2,626)
REFCUS	4,973	2,233	2,848	(2,125)
<b>TOTAL</b>	<b>14,532</b>	<b>3,551</b>	<b>7,048</b>	<b>(7,484)</b>

- 2.6.2 Schemes with the significant expenditure in this financial year include:

### **Disabled Facilities Grants—**

The revised budget for the Disabled Facilities Grant (DFG) for the year is £2.946m, which is the amount brought forward from previous years. The actual expenditure to Quarter 3 was £0.490m. The forecast outturn is £0.640m. This project is dependent upon residents' take-up.

The DFG can fund adaptations such as ramps, stairlifts, level access showers, or any other modifications that help you navigate your home more easily. Grants are available for owner-occupiers, private tenants, and housing association tenants. The Council is currently investigating methods to better distribute this funding to households in need and will present a report to members on this matter in the near future.

**Marlborough Square improvement works** – The revised budget for this scheme is £1.370m, of which £1.271m representing 92.7% of the budget has been spent. The forecast outturn for the scheme is £1.551m, 113.2% of the revised budget resulting in overspend of £0.181m, funded by a supplementary estimate, see Appendix 2. This project spans multiple years with previous years spend of £1.5m. The overspend currently predicted is due to variations agreed during the contract and is inclusive of £67k retention fee but exclusive of any other agreed variation that may arise. This project is public realm works in Marlborough Square, and the works are due to complete in May 2025.

**UK Shared Prosperity Funds Investment Programme (UKSPF)** – There are various projects within this fully grant funded scheme. The grant conditions specified that there is no carry over of funds which means the grant must be fully spent in the year, otherwise, the unspent funds will be returned. The revised budget for this scheme is £0.952m of which £0.253m representing 26.5% has been spent. The forecast outturn position is a spend of £0.920m. There are nine different projects at delivery stage and this will ensure that the grant is fully spent by year end.

**Fleet replacement programme** – This is the purchase of environmentally-friendly vehicles to deliver council services. The revised budget for the programme is £1.755m of which £0.369m, 21% of the revised budget has been spent as at the end of quarter 3. Spending has been delayed due to the Waste services review being carried out in year.

- 2.6.3 £7.393m capital budget is projected to be carried forward to future years. This is detailed in Table 4 below.

**Table 4 – Reprofiled of budget to future years**

Scheme	Reprofiled to 2025/26
	£000
Active Programme	2,642
Development Pool	2,625
REFCUS	2,126
<b>TOTAL</b>	<b>7,393</b>

- 2.6.4 The two largest Active Programme budgets that have been re-profiled are £1.385m in relation to Fleet Replacement and £1.1m in relation to Food Waste Rollout.

## 2.7 Changes to the Capital Programme

- 2.7.1 Schemes in the capital programme are grouped under two categories and these are:

Development Pool: These are schemes not yet fully costed or funding sources identified. A full business case is required to be prepared and presented to the newly implemented Capital Strategy Group for consideration before the scheme can go ahead.

Active Programme: Schemes in this category have been approved (by either Capital Strategy Group, Cabinet or Council), fully funded and are being delivered.

- 2.7.2 Table 5 below details schemes for Cabinet approval to move from the development pool to the active projects.

**Table 5 – Scheme Movements and New Schemes**

Scheme	Budget	Reason for Movement
<b>Movement from Development Pool to Active Programme</b>		
Solar Photovoltaic (PV) Electric Vehicle Charging Hub at Money Hill Car Park	300,000	Fully grant funded scheme. Considered by Capital Strategy Group and recommended for approval for inclusion in the capital programme.
<b>Total</b>	<b>300,000</b>	

### **Solar Photovoltaic (PV) Electric Vehicle Charging Hub at Money Hill Car Park**

The electric vehicle charging provision in the new Money Hill car park in Ashby de la Zouch will be a solar PV hub. This is a grant funded project under Green Living Leicestershire, led by Harborough DC, which will install a solar charging hub in each district. The funding, provided from business rates pooling fund and government local electric vehicle infrastructure funding (LEVI), will be transferred to the Council via a capital grant allocation and the title of the hub installation will pass to the Council. The asset will be reported under the existing car park budget.

## 2.8 Prudential Indicators

2.8.1 The prudential Indicators for quarter 3 can be found in Appendix 5a.

## 3.0 SPECIAL EXPENSES

3.1 Table 6 below summarises the forecast outturn position for Coalville Special Expenses and Other Special Expense areas. Further information is contained within Appendix 6 which provides a more detailed analysis.

3.2 At the end of the third quarter, Coalville Special expenses are forecast to be £4k over budget, Hugglescote Special Expenses (£5k) under budget and Whitwick Special Expenses £14k over budget, with other Special Expense areas forecasting minor variances. It is forecast that budget shortfalls will be funded from reserves available.

**Table 6 - Special Expenses 2024/25 Q3 Monitoring and Forecast Outturn Position**

SPECIAL EXPENSES	Approved Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Annual Recurring Expenditure	559	569	10
Expenditure Requirement	559	569	10
Precept	(597)	(597)	0
EMR's not required – returned to balances	0	(30)	(30)
Transfer to/(from) reserves	38	58	20

3.3 The major variances are summarised in table 7 below:

**Table 7 – Special Expenses Major Variances**

Special Expenses - Major Variances	£'000
<b><u>Coalville</u></b>	
Parks, Recreational Grounds, Open Spaces – increased premises insurance	4
Parks, Recreational Grounds, Open Spaces - increased repairs & maintenance	3
Parks, Recreational Grounds, Open Spaces – reduced nndr, service contracts, consumables	(4)
<b><u>Hugglescote</u></b>	
Cemetery - reduced Asset protection	(2)
Cemetery – increased burial & monument fees	(3)
<b><u>Whitwick</u></b>	
Cemetery - reduced burial & monument fees	14

3.4 The provisional balances as at 1 April 2024 and the forecast outturn as at 31 March 2025 are shown in Table 8 below. Four of the Special Expense areas are forecast to be in a deficit position. The conclusion of the Special Expenses Policy review expects that deficits will be recovered over future years to ensure that a minimum of 10% balances

are retained. This will be addressed as part of the Council's future years budget setting processes.

**Table 8 - Forecasted Special Expense Balances 2024/25**

<b>SPECIAL EXPENSE BALANCES</b>	<b>Provisional Balances 01.04.24</b>	<b>Forecast Contribution to/(from) Balances</b>	<b>Forecast Balances 31.03.25 Surplus/ (Deficit)</b>
<b><u>Current</u></b>	£	£	£
Coalville	33,914	51,824	85,738
Whitwick	6,189	(12,899)	(6,710)
Hugglescote/Donington Le Heath	29,761	13,144	42,905
Coleorton	220	121	341
Oakthorpe & Donisthorpe	(15,606)	5,024	(10,582)
Ravenstone	1,403	117	1,520
<b><u>Previous</u></b>			
Lockington/Hemington	2,286	0	2,286
Measham	1,940	0	1,940
Stretton	(1,719)	0	(1,719)
Appleby Magna	2,608	0	2,608

- 3.5 A list of the Special Expense earmarked reserves as at the end of December 2024 are shown in table 9 below. Appendix 7 gives a more detailed analysis.

**Table 9 - 2024/25 Special Expenses Earmarked Reserves**

<b>EARMARKED RESERVES</b>	<b>Balances 01.04.24</b>	<b>Spend to date</b>	<b>Forecast Spend</b>	<b>Reserves no longer required</b>	<b>Forecast Balance as at 31.03.25</b>
	£	£	£	£	£
Coalville	85,008	8,795	43,041	21,048	12,124
Hugglescote	17,450	6,674	2,000	8,776	0
	<b>102,458</b>	<b>15,469</b>	<b>45,041</b>	<b>29,824</b>	<b>12,124</b>

## 4.0 TREASURY MANAGEMENT

- 4.1 The following outlines the Treasury position and variance to budget of the Council's Treasury Management function. The Council's Treasury Management Strategy for 2024/25 was approved at a Council meeting on 22 February 2024. The Council has invested substantial sums of money and is, therefore, exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's Treasury Management Strategy.
- 4.2 Table 10 shows the progression of budgets as at 31 December 2024 for Treasury Management elements.

**Table 10 – Treasury Management Forecast Outturn 2024/25**

Element	Original Budget	Variance	Revised Forecast
	£'000	£'000	£'000
Investment Interest Income:			
S106 Deductions	(189)	(64)	(253)
GF	(410)	(6)	(417)
HRA	(286)	(412)	(698)
<b>Total</b>	<b>(885)</b>	<b>(482)</b>	<b>(1,368)</b>
Borrowing Interest Expenditure	2,330	(380)	1,950
Borrowing Principal Repaid	1,269	0	1,269
<b>Total</b>	<b>2,714</b>	<b>(862)</b>	<b>1,851</b>

- 4.3 Borrowing interest expenditure forecast has reduced by £0.380m due to:-
- £3.8m planned HRA borrowing not required due to higher than forecast cash holdings,
  - Early repayment of a Lender Option Borrower Option (LOBO) Loan with Commerzbank on the 8 February 2024 after the budget for 2024/25 was proposed. The lender took its option to increase the interest rate from 4.80% to 5.80%. The decision to repay the loan was taken to avoid locking into a high long-term interest rate when cash was available to repay the loan. The Council has no further LOBO loans.
- 4.4 Investment interest income for General Fund and HRA is forecast to increase from £1.32m to £1.37m (before S106 deductions) due to the authority holding higher than forecast balances, which have been mainly invested in well-paying Money Market Funds.
- 4.5 Table 11 shows a summary of the Council's external investments and borrowing along with the rate of return/borrowing of both.

**Table 11 – Treasury Summary**

	<b>31.3.24 Balance £m</b>	<b>Movement £m</b>	<b>31.12.24 Balance £m</b>	<b>31.12.24 Rate %</b>
Long-term borrowing	55.1	0.0	55.1	3.50%
Short-term borrowing	1.2	(0.6)	0.6	2.25%
<b>Total borrowing</b>	<b>56.3</b>	<b>(0.6)</b>	<b>55.7</b>	<b>3.48%</b>
Long-term investments	0.0	0.0	0.0	0.00%
Short-term investments	25.5	(20.0)	5.0	4.79%
Cash and cash equivalents	5.0	31.0	36.0	4.72%
<b>Total investments</b>	<b>30.0</b>	<b>11.0</b>	<b>41.0</b>	<b>4.73%</b>
<b>Net borrowing</b>	<b>26.3</b>	<b>(11.6)</b>	<b>14.7</b>	

- 4.6 Further information on the Council's borrowing and investments can be found in Appendix 10.
- 4.7 During the reporting period the Council has paid back £0.6m in principle on its Public Works Loan Board (PWLB) loans. It is forecast to repay £1.26m in PWLB loan principle by the end of the year. There is no intention to borrow to replace these loans as the Council currently has the resources to absorb this.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	A well run Council.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	The Council plans to invest up to £2.8m in town centre regeneration and public realm works in the current financial year.
Environment and Climate Change:	Up to £0.3m is forecast to be spent on purchasing environmentally friendly vehicles and installing electric vehicle charging points throughout the district in the current financial year.
Consultation/Community/Tenant Engagement:	This report will be considered by Corporate Scrutiny Committee on 19 June 2025.
Risks:	Although inflation has decreased, the impact of the high inflation means the real purchasing power of the Council's reserves steadily erodes, meaning the same amount of money can purchase progressively fewer goods and services. This

	<p>erosion of value poses a challenge to the organisation's ability to maintain financial stability and achieve its long-term financial objectives.</p> <p>The budgets will continue to be monitored throughout the year to ensure the Council remains within its funding envelope.</p> <p>Work is still required between now and the end of the year to ensure the ledger is up to date for 2023/24 and 2024/25. As the 2023/24 data is yet to be finalised, this places risk on the 2024/25 data and any brought forward balances from 2023/24.</p>
Officer Contact	<p>Anna Crouch Head of Finance &amp; Deputy S151 Officer <a href="mailto:anna.crouch@nwleicestershire.gov.uk">anna.crouch@nwleicestershire.gov.uk</a></p>

**North West Leicestershire District Council**  
**2024/25 Quarter 3 Variances**

Service	Revised Budget	Forecast	Total Variance	Pay Award Variance	Other Variance	Total Variance to Budget %	
Chief Executive	201	212	11	2	8	5.47%	The overspend of £8k comprises an overspend of £2k on a corporate subscription to a key local government journal being made electronically available for all staff. Additionally, there was a £6k overspend due to budgeted allowance for a vacancy in the Chief Executive role which did not happen in 2024/25.
Human Resources	733	798	65	20	46	8.87%	The overspend of £46k comprises of £23k recruitment fees and advertising for Heads of Service roles which are not budgeted for on an ongoing basis. Furthermore, there is a £16k overspend due to an allowance being built into the budget for vacancies which did not happen and a 5k shortfall against budgeted income due to changes in the payroll service provision in year.
Legal & Support Services	1,743	1,882	139	44	94	7.97%	The overspend of £94k is as a result of unexpected costs and a reduction of income received. As a consequence of recruitment challenges that the Legal Team has faced over a number of years, the team has used specialist recruitment agencies to fill vacant posts, which has resulted in an overspend of £17k on recruitment costs. Furthermore, the vacancy allowance of £8k has not been achieved due to the need to ensure that all vacant posts are covered, given the specialist nature of the work undertaken, which cannot be absorbed elsewhere. Plans to fix the income shortfall and the staffing budget were approved in the 2025/26 budget.
<b>Chief Executive Directorate</b>	<b>2,677</b>	<b>2,892</b>	<b>215</b>	<b>66</b>	<b>148</b>	<b>8.03%</b>	
Strategic Director of Place	138	141	3	3	0	2.17%	
Property and Economic Regeneration	1,279	1,571	292	44	248	22.83%	<p>There is a £27k underspend in respect of Economic Regeneration: Several events were held successfully across the district. However, they did not meet the expected income targets, falling short by £6k. The vacancy savings achieved were £35k above the corporate target. Furthermore, there was £2k additional spend on repair and maintenance in respect of Moira Furnace.</p> <p>There is an overspend of £277k in Property Services: The Council has an aging property stock which has suffered from a historic lack of investment in maintenance and refurbishment. This is now manifesting as an increasing need for reactive repair leading to expenditure of £156k more than budgeted. Rental income is below the target figure by £125k due to voids and incentives needed to attract occupiers. In addition, there are a number of corporate costs which are attributed to the property budget. These include £9k for corporate catering, £21k for increased postage costs, £12k increased contract cleaning costs. These overspends have been offset by some minor savings including (£12k) vacancy allowance and (£57k) on salary savings.</p>
Planning & Infrastructure	1,071	1,174	103	56	48	9.62%	<p>The majority of the overspend, £90k, relates to Planning &amp; Development. The main overspends relate to £11k vacancy allowance which has not been achieved, £19k publicity budget exceeded, £60k Leicestershire County Council Ecology and Archaeology Consultancy cost exceeds budget, the reason for this is because of the new mandatory requirement to secure a minimum of 10% biodiversity net gain (BNG) on most new developments across the District from April 2024. In order for Leicestershire County Council to provide the required support the Council needs on BNG, an increased service level agreement with the County Council has been necessary to allow them to recruit a number of new Ecology Officers.</p> <p>There is a £46k underspend in respect of Planning Policy largely as a result of exceeding the vacancy allowance.</p> <p>There is a £4k overspend in respect of the Head of Service as the vacancy allowance has not been achieved.</p>
Joint Strategic Planning	(3)	(1)	2	2	0	(66.67%)	
<b>Place Directorate</b>	<b>2,485</b>	<b>2,885</b>	<b>400</b>	<b>105</b>	<b>296</b>	<b>16.10%</b>	
Head of Community Services	111	116	5	3	2	4.50%	£2k vacancy allowance relates to the corporate target for vacancy rates. There have been no vacancies in this role and hence the budget cannot be met.
Community Services	6,515	7,336	821	364	457	12.60%	<p>There is an overspend of £164k in the main to the service not being able to meet corporate vacancy target savings regarding front-line services, largely statutory roles in waste, street cleansing, enforcement and Head of Service</p> <p>The loss of the Housing Services Empty Homes contract has meant that the service does now not receive an income of £106k for this work.</p> <p>With the delay related to the waste container review the costs to maintain an increasingly aging fleet are realising increased cost pressures related to vehicle hire, repair costs and parts resulting in an overspend of £158k</p> <p>Increases to car park lighting electricity costs have proved to be significant resulting in a £45k overspend.</p> <p>There is an overspend of £70k as a result of less income has been realised from less use of public toilets and lower than expected income from market traders related to the delays with the completion of Marlborough Square</p> <p>Some of these additional cost pressures are offset by reduced fuel costs of £62k with the use of Hydrotreated Vegetable Oil.</p>
Strategic Housing	540	684	144	24	120	26.67%	There is a £317k increase in Temporary Accommodation costs, which is related to the increased pressure on our homelessness responsibilities. This is a national issue which the Council has little direct control of. Measures have been and continue to be put in place regarding mitigating this. We have received an additional £309k of funding from Government which offset the overspend in this regard. Other costs are related to staffing to support the above increases in demand and are being considered on how to meet these in budget 2025/26.
<b>Community Services Directorate</b>	<b>7,166</b>	<b>8,136</b>	<b>970</b>	<b>391</b>	<b>579</b>	<b>13.54%</b>	
Strategic Director of Resources	237	259	22	5	16	9.28%	In the main, the overspend relates to the costs of running the Council's Procurement service. The Council initially employed agency staff to support the procurement function at the beginning of the financial year due to unsuccessful recruitment for a permanent officer position. A permanent procurement officer has now been appointed, and a contract for additional procurement support is in place to ensure compliance. From the 2025/26 financial year onwards, these arrangements will ensure that procurement costs remain within budget.



Service	Revised Budget	Forecast	Total Variance	Pay Award Variance	Other Variance	Total Variance to Budget %	
Audit	130	129	(1)	12	(13)	(0.77%)	The forecast is a break-even position with underspends in staffing of £39k offset by overspends of undertaking the IT audit by using external resources.
Finance	1,053	1,562	509	29	481	48.34%	<p>The Council has incurred significant agency costs to support the finance function due to difficulties in filling key technical vacancies. These roles are crucial for ensuring the Council's compliance with financial management. The overspend of £933k has been offset by contributions from funds set aside for these costs and savings from unfilled permanent positions. Additionally, there is a £97k overspend related to the recently renewed insurance contract. To address this, the Council plans to recruit a dedicated insurance officer as part of its 2025/26 budget proposals, aiming to reduce insurance premiums and offset insurance costs.</p> <p>There is also £40k in additional costs due to unforeseen enhancements and maintenance of critical systems such as payroll and exchequer.</p> <p>Furthermore, there is a £19k overspend on IT equipment purchases.</p> <p>The Apprenticeship Levy was overspent by £8k; however, the budget for 2025/26 will be adjusted to ensure costs align with the budget from 2025/26 onwards. The Apprenticeship Levy was introduced in 2017 to fund apprenticeship training. It applies to employers with an annual pay bill over £3m, who must pay 0.5% of their total annual pay bill.</p>
Revenues and Benefits	1,171	1,181	10	36	(26)	0.85%	<p>The service has a minor overspend of £10k, with overspends on salaries of £12k and overtime of £17k, which have been offset by additional income and a new burdens grant.</p> <p>There is an overspend of £5k on Discretionary Housing Payments, offset by an underspend on Hardship Payments. Discretionary Housing Payments provide additional financial support to individuals who are already receiving Housing Benefit or the housing element of Universal Credit but need extra help with housing costs. Hardship Payments are financial aids provided to individuals facing severe financial difficulties. It is challenging to budget accurately for discretionary housing payments and hardship payments due to their fluctuating nature.</p>
ICT	1,221	1,340	119	20	99	9.75%	<p>The service has experienced a savings shortfall of £57k, which was initially planned through a reduction in salary costs. However, alternative savings have been identified, however, these will not be implemented until the 2025/26 financial year to address this shortfall.</p> <p>Additionally, anticipated income from printing recharges has not realised resulting in non-achievement of the income target of £29k against budget.</p> <p>There was also an unforeseen overspend of £18k on IT maintenance costs.</p> <p>These overspends have been offset by grant income of £15k and an underspend on equipment purchases of £6k.</p>
Customer Services	1,010	1,033	23	41	(18)	2.28%	<p>There is a projected overspend of £15k on salaries due to the use of agency staff to ensure service continuity.</p> <p>Additionally, there is a £15k overspend on increased building costs for security, cleaning, and repairs. The additional security costs are necessary to ensure the safety of our staff in the customer centre, following a number of threatening incidents.</p>
Business Change	570	570	0	2	(2)	0.00%	
<b>Resources Directorate</b>	<b>5,392</b>	<b>6,074</b>	<b>682</b>	<b>145</b>	<b>537</b>	<b>12.65%</b>	
Estimated Pay Award and Inflation Contingency	527	0	(527)	(527)	0	(100.00%)	The costs of the pay award are reflected in the forecasts above. This budget for the cost of the pay award will be allocated to departments accordingly and will be reflected accordingly in the financial statement of accounts.
Corporate & Democratic Core & Other Budgets	278	317	39	0	40	14.03%	
<b>Corporate &amp; Democratic Core &amp; Other Budgets</b>	<b>805</b>	<b>317</b>	<b>(488)</b>	<b>(527)</b>	<b>40</b>	<b>(60.62%)</b>	
<b>NET COST OF SERVICES</b>	<b>18,525</b>	<b>20,304</b>	<b>1,779</b>	<b>180</b>	<b>1,600</b>	<b>9.60%</b>	
<b>Net Recharges from General Fund</b>	<b>(1,859)</b>	<b>(2,084)</b>	<b>(225)</b>	<b>0</b>	<b>(224)</b>		
<b>NET COST OF SERVICES AFTER RECHARGES</b>	<b>16,666</b>	<b>18,220</b>	<b>1,554</b>	<b>180</b>	<b>1,375</b>		
<b>Total Corporate Items and Financing</b>	<b>1,496</b>	<b>939</b>	<b>(557)</b>	<b>0</b>	<b>(558)</b>		Lower borrowing costs and early loan repayment leading to a saving against budget
<b>NET REVENUE EXPENDITURE</b>	<b>18,162</b>	<b>19,159</b>	<b>997</b>	<b>180</b>	<b>818</b>		
Contribution to/(from) Balances/Reserves	(751)	(751)	0	0	0		
<b>NET EXPENDITURE (AFTER RESERVE CONTRIBUTIONS)</b>	<b>17,411</b>	<b>18,408</b>	<b>997</b>	<b>180</b>	<b>818</b>		
<b>FUNDING TOTAL</b>	<b>(17,411)</b>	<b>(17,431)</b>	<b>(20)</b>	<b>0</b>	<b>(20)</b>		
<b>FORECAST (UNDERSPEND) / OVERSPEND</b>	<b>0</b>	<b>977</b>	<b>977</b>	<b>180</b>	<b>798</b>		

## 2024/25 Savings Progress

Directorate	Savings Title	Savings Detail	2024/25	£ Achieved	£ Not Achieved	Comments
Chief Executives	Audit Recharges to HRA	Review the HRA recharges to reflect the allocation of Audit days to HRA	(29,000)	(29,000)	0	
Chief Executives	Project External Consultancy	This was originally set aside for corporate project support but has not been used as project support has been factored into the business cases assessment process where needed. This will continue to be the case in future projects.	(20,000)	(20,000)	0	
Chief Executives	Emergency Planning	This is a highly unpredictable budget as it is difficult to predict emergency planning events, and as part of our Category 1 responder role we would be obliged to find any budget needed to support our communities in the event of a major incident. In quiet years the budget has not been spent historically.	(2,000)	(2,000)	0	
Chief Executives	Corporate Training	Central training budget saving	(15,000)	(15,000)	0	
Communities	Community Services	Increase pest control charges by 3% (7% inflation dealt with via fees and charges)	(500)	(500)	0	
Communities	Community Services	Set new port health charges to ensure full cost recovery (new port health regime to be introduced in April 2024 following EU exit)	(23,000)	(23,000)	0	
Communities	Community Services	LED Lighting installations on council car parks	(4,000)	(4,000)	0	
Communities	Community Services	Delete the Council's budget for the Free Tree Scheme. This would mean that the National Forest area will be the only part of the district benefiting from free trees fully funded by the National Forest Company	(9,000)	(9,000)	0	
Communities	Community Services	Increase the charge for any additional garden waste bins to align with charges across Leicestershire. Inflation of 7% will be applied to this charge through fees and charges. (total increase from £45 pa to £57pa)	(13,000)	(13,000)	0	
Communities	Community Services	No longer print and distribute annual waste collection calendars to every house in the district and instead promote Councils website. Savings amount to staff time, printing costs and travel costs which will all reduce carbon emissions	(15,000)	(15,000)	0	
Communities	Community Services	Reduce the Council's Community Grant Funding budget: Age UK £21,990 reduce by a third each year over three years to zero. Citizens Advice £62,000 to remain and Small Grants Scheme £19,500 to be reviewed in 2025/26 following implementation of community lottery scheme	(7,330)	(7,330)	0	
Communities	Community Services	Reduce the Council's contribution to the running of Ibstock Leisure Centre to Zero over three years. The grant in 23/24 is £15k	(5,000)	(5,000)	0	
Place	Planning Skills Grant	Planning Skills Grant (one-off) – bid to assist with validation of planning applications for urban design and conservation processes. Total grant £95k shown net of expenditure.	(3,155)	(3,155)	0	
Place	HS2 Consultancy	HS2 – budget for consultants no longer required	(25,000)	(25,000)	0	
Place	Closure of Council Offices	Council Offices Budget – to reflect closure of Whitwick Road Council offices	(67,600)	(67,600)	0	
Place	Town Centre WiFi	Town Centre Wifi – service provider has decided to withdraw from the market	(11,000)	(11,000)	0	
Place	Strategic Growth Plan	NWLDC contribution to work in connection with Strategic Growth Plan	(67,000)	(67,000)	0	
Communities	Housing Income	Charging policy for temporary accommodation	(5,000)	0	(5,000)	Demand still high in 2024/25 and proactive work to
Communities	Housing Income	New temporary accommodation provision	(70,000)	0	(70,000)	reduce costs did not commence until October 2024,
Communities	Housing	Reduction in temporary accommodation demand	(50,000)	0	(50,000)	leading to a delay in realised savings
Communities	Community Services	Back-office administration Cost Savings - various	(24,600)	0	(24,600)	Delay in fitness suite development, leading to a delay in signing new SLA. New SLA & savings now likely to be achieved in 25/26
Communities	Community Services	Adjust the budget to reflect the re-introduction of charges to use Ashby and Coalville public conveniences in early 2024 as well as operational savings as per the capital programme report approved at Full Council in September 2023	(27,000)	0	(27,000)	Decision reversed and MTFS amended
Resources	ICT	Resources to match demand and efficiencies from contracts	(51,800)	0	(51,800)	Savings not materialised and MTFS amended
Resources	ICT	Increase costs due to SAN Network less maintenance savings	(5,000)	0	(5,000)	Savings not materialised and MTFS amended
<b>Total Budget Options</b>			<b>(549,985)</b>	<b>(316,585)</b>	<b>(233,400)</b>	

## Supplementary Estimates - General Fund, HRA &amp; Special Expenses (Capital &amp; Revenue)

Capital/Revenue	General Fund/HRA/ Special Expenses	Directorate	Service	Recurring/ One-Off	Amount £	Funded By	Reason For Request
<b>Externally Funded</b>							
<b>Between £0 and £99,999 (For Information Only)</b>							
Revenue	General Fund	Community Services	Community Services	One-Off	1,950	Grant	National Forest
Revenue	General Fund	Community Services	Strategic Housing	One-Off	56,000	Grant	Asylum Dispersal Scheme No. 7 Q3
Revenue	General Fund	Community Services	Strategic Housing	One-Off	27,347	Grant	Rough Sleeping Winter Pressures 24/25
Revenue	General Fund	Community Services	Strategic Housing	One-Off	23,386	Grant	Rough Sleeping Winter Pressures 24/25
<b>Between £100,000 and £249,999 (For Cabinet Approval)</b>							
Revenue	General Fund	Place	Planning & Infrastructure	One-Off	129,620	Grant	Building Safety Levy Grant S31
Revenue	General Fund	Community Services	Community Services	One-Off	114,152	Grant	Disabled Facilities Grant
<b>Over £250,000 (Requires Council Approval)</b>							
<b>TOTAL EXTERNALLY FUNDED</b>					<b>352,455</b>		
<b>Council Funded</b>							
<b>Between £0 and £249,999 (For Cabinet Approval)</b>							
Revenue	General Fund	Place	Property and Economic Regene	One-Off	10,000	Business Rates Reserve	Property Data System Officer
Revenue	General Fund	Resources	Finance	One-Off	1,275	MTFP Reserve	Review and update of Procurement system
Revenue	General Fund	Chief Executive	Legal & Support Services	One-Off	33,000	MTFP Reserve	Head of Legal Vacancy Agency backfill
Revenue	General Fund	Resources	Finance	One-Off	91,861	MTFP Reserve	Additional staffing to support with the finance system backlog
Revenue	General Fund	Community Services	Environmental Protection	One-Off	32,240	MTFP Reserve	Outdoor Market Setting up costs
Revenue	General Fund	Community Services	Community Services	One-Off	6,764	Business Rates Reserve	CCTV Storm Damage
Capital	General Fund	Place	Property and Economic Regene	One-Off	181,000	Business Rates Reserve	Marlborough Square Improvement Works
<b>Over £250,000 (Requires Council Approval)</b>							
<b>TOTAL COUNCIL FUNDED</b>					<b>356,140</b>		
<b>TOTAL SUPPLEMENTARY ESTIMATES</b>					<b>708,595</b>		

## Section 106 Q3 2024/25 Position

Legal Agreements under Section 106 of the Town and Country Planning Act secure developer contributions to mitigate the impacts of the development on the local area. The District Council holds funds generated from legal agreements on behalf of the Council and third parties, such as the Healthcare bodies or the National Forest Company. The Council then holds those funds in an interest-bearing account until they are spent by the body responsible for implementing the requirements in the legal agreement which secured them.

The table below summarises the position at December 2024 for the various types of contributions included in agreements.

Type of Contribution	Provisional Opening Balance	Contributions Received	Contributions Paid to Third Parties	Closing Balance
River Mease - Available	6,924	0	0	6,924
River Mease - Retain	222,493	85,176	0	307,669
Air Quality	53,841	0	0	53,841
LCC	0	748,242	(748,242)	0
Police	82,569	117,673	(28,237)	172,005
Recreation/Play Areas/Leisure	724,998	0	(102,096)	622,902
Parish Councils	1,561	392,922	(392,922)	1,561
Affordable Housing	2,548,477	0	(149,500)	2,398,977
National Forest - Available	81,732	12,641	(80,992)	13,382
Healthcare	335,554	686,890	(21,362)	1,001,082
Highways	3,971,383	0	(2,445,211)	1,526,173
Network Rail	18,354	0	0	18,354
CCTV	12,400	0	0	12,400
Land & Open Space	100,772	0	(7,510)	93,262
	<b>8,161,059</b>	<b>2,043,546</b>	<b>(3,976,072)</b>	<b>6,228,534</b>

\*River Mease monies are split in to two pots. Those in the 'Retain' pot is where payment has been made upon the grant of planning permission, but the requirement was for money to be paid at commencement of development. Therefore, until development commences this money cannot be used. If it was and the development did not start, the applicant would be able to reclaim the money.

**North West Leicestershire District Council**  
**Estimated Reserves as at 31st March 2025**

Service Area	Provisional Balance as at 01/04/2024	Forecasted Movement (From)/To Reserves 2024/25	Forecasted Balance as at 31/03/2025
Chief Executive	334	(234)	100
Human Resources	30	0	30
Legal & Support Services	0	45	45
Community Services	933	(297)	636
Strategic Housing	404	0	404
Planning & Infrastructure	758	(16)	742
Property and Economic Regeneration	2,107	(74)	2,033
Joint Strategic Planning	142	39	181
Director of Resources	97	(27)	70
Customer Services	15	(3)	12
Business Change	106	442	548
ICT	0	0	0
Internal Audit	1	(1)	0
Finance	184	37	221
<b>Service Earmarked Reserves</b>	<b>5,111</b>	<b>(89)</b>	<b>5,022</b>
Business Rates	5,822	6,728	12,550
MTFP	7,588	(1,945)	5,643
Special Expenses	102	(90)	12
<b>Total Earmarked Reserves</b>	<b>18,623</b>	<b>4,603</b>	<b>23,226</b>
<b>Unallocated</b>			
General Fund	1,544	0	1,544
Special Expenses	61	0	61
<b>Total Reserves - General Fund &amp; Special Expenses</b>	<b>20,228</b>	<b>4,603</b>	<b>24,831</b>

**North West Leicestershire District Council  
Capital Programme 2024/25 Quarter 3 Position**

Scheme	Revised Budget	Actual Expenditure	Forecast Outturn	Variance	Slippage to 2025/26 / (overspend)
	£000	£000	£000	£000	£000
<b>Active Programme</b>					
Coalville Regeneration Projects	1,311	60	1,166	(145)	145
UK Shared Prosperity Fund Investment Plan Programme (UKSPF)	952	253	919	(33)	0
Carbon Zero	303	18	240	(63)	37
Systems/ICT Schemes	143	57	143	0	0
Vehicle, Plant and Equipment	3,345	552	716	(2,629)	2,615
New Construction or Renovation	219	311	356	137	(155)
<b>TOTAL ACTIVE PROGRAMME</b>	<b>6,273</b>	<b>1,251</b>	<b>3,540</b>	<b>(2,733)</b>	<b>2,642</b>
<b>Development Pool</b>					
Coalville Regeneration Projects	186	67	75	(111)	111
UK Shared Prosperity Fund Investment Plan Programme (UKSPF)	772	0	585	(187)	186
Carbon Zero	10	0	0	(10)	10
Systems/ICT Schemes	15	0	0	(15)	15
Vehicle, Plant and Equipment	2,256	0	0	(2,256)	2,256
New Construction or Renovation	13	0	0	(13)	13
Special Expenses	34	0	0	(34)	34
<b>TOTAL DEVELOPMENT POOL</b>	<b>3,286</b>	<b>67</b>	<b>660</b>	<b>(2,626)</b>	<b>2,625</b>
<b>REFCUS</b>					
Coalville Regeneration Projects	1,370	1,270	1,551	181	(180)
New Construction or Renovation	3,603	963	1,297	(2,306)	2,306
<b>TOTAL REFCUS</b>	<b>4,973</b>	<b>2,233</b>	<b>2,848</b>	<b>(2,125)</b>	<b>2,126</b>
<b>TOTAL</b>	<b>14,532</b>	<b>3,551</b>	<b>7,048</b>	<b>(7,484)</b>	<b>7,393</b>

### Prudential Indicators Q3 2024/25

The Authority measures and manages its capital expenditure, borrowing and commercial investments with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

**Capital Expenditure:** The Authority has undertaken and is planning capital expenditure as summarised below.

	<b>2023/24 forecast * (in millions £)</b>	<b>2024/25 forecast * (in millions £)</b>	<b>2025/26 budget (in millions £)</b>	<b>2026/27 budget (in millions £)</b>
General Fund services	9.4	6.4	9.5	6.4
Council housing (HRA)	10.2	8.1	15.6	15.1

\* 2023/24 and 2024/25 forecasts are based on the draft outturn position and may be subject to change

The main General Fund capital projects to date have included Marlborough Square Improvements £1.6m, Disabled Facility Grants (DFG) £0.6m, Kegworth Public Realm Works £0.7m and various UKSPF projects £1.0m. HRA capital expenditure is recorded separately and to date includes New Supply £2.0m, Home Improvement Projects £3.9m and Other HRA Projects £1.8m.

**Capital Financing Requirement:** The Authority's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP (loans fund repayments) and capital receipts used to replace debt. The actual CFR is calculated on an annual basis.

	<b>2023/24 forecast * (in millions £)</b>	<b>2024/25 forecast * (in millions £)</b>	<b>2025/26 budget (in millions £)</b>	<b>2026/27 budget (in millions £)</b>
General Fund services	38.0	36.6	35.2	33.9
Council housing (HRA)	54.0	52.7	53.3	60.1
<b>TOTAL CFR</b>	<b>92.0</b>	<b>89.3</b>	<b>88.6</b>	<b>94.0</b>

\* 2023/24 and 2024/25 forecasts are based on the draft outturn position and may be subject to change

**Gross Debt and the Capital Financing Requirement:** Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	<b>2023/24 forecast (in millions £)</b>	<b>2024/25 forecast (in millions £)</b>	<b>2025/26 budget (in millions £)</b>	<b>2026/27 budget (in millions £)</b>	<b>Debt at 31.12.2024 (in millions £)</b>
Debt (incl. PFI & leases)	56.3	58.9	59.3	65.8	55.7
Capital Financing Requirement	92.0	89.3	88.6	94.0	

**Debt and the Authorised Limit and Operational Boundary:** The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	<b>Maximum debt 2024/25</b>	<b>Debt at 31.12.24</b>	<b>2024/25 Authorised Limit</b>	<b>2024/25 Operational Boundary</b>	<b>Complied? Yes/No</b>
Borrowing	56.3	55.7	99.5	89.5	Yes
PFI & Finance Leases	0.0	0.0	2.0	2.0	Yes
<b>Total debt</b>	<b>56.3</b>	<b>55.7</b>	<b>101.5</b>	<b>91.5</b>	<b>Yes</b>

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

**Proportion of Financing Costs to Net Revenue Stream:** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP / loans fund repayments are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue



stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2023/24 forecast*	2024/25 forecast*	2025/26 budget	2026/27 budget
<u>General Fund</u>				
Net Financing costs (£m)	1.8	1.6	1.9	1.8
Proportion of net revenue stream	10%	8%	10%	11%
<u>Housing Revenue Account</u>				
Net Financing costs (£m)	1.6	1.3	1.9	2.1
Proportion of net revenue stream	8%	6%	9%	9%

\* 2023/24 and 2024/25 forecasts are based on the draft outturn position and may be subject to change

## Special Expenses 2024/25 Q3 Monitoring &amp; Forecast Outturn Position

<b>COALVILLE SPECIAL EXPENSES</b>	<b>Approved Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
Parks, Recreation Grounds & Open Spaces	316,540	320,470	3,930
Broomley's Cemetery & Closed Cemetery	(2,350)	-330	2,020
Coalville in Bloom	5,000	5,000	0
Coalville Events	96,860	94,830	(2,030)
<b>SPECIAL EXPENSES (NET COST OF SERVICE)</b>	<b>416,050</b>	<b>419,970</b>	<b>3,920</b>
Service Management recharges/Admin Buildings	90,030	90,030	0
<b>NET COST OF SERVICES AFTER RECHARGES</b>	<b>506,080</b>	<b>510,000</b>	<b>3,920</b>
Contribution to/(from) Balances/Reserves	34,696	51,824	17,128
<b>MET FROM GOVT GRANT &amp; COUNCIL TAX (Budget Requirement)</b>	<b>540,776</b>	<b>561,824</b>	<b>21,048</b>
<b>FUNDED BY:</b>			
Precept	(540,776)	(540,776)	0
Earmarked Reserve	0	(21,048)	(21,048)
	<b>(540,776)</b>	<b>(561,824)</b>	<b>(21,048)</b>

<b>OTHER SPECIAL EXPENSES</b>	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
Whitwick	4,510	17,110	12,600
Hugglescote	9,790	4,050	(5,740)
Coleorton	2,310	1,950	(360)
Ravenstone	1,120	1,120	0
Measham	0	0	0
Lockington-Cum-Hemington	0	0	0
Oakthorpe & Donisthorpe	5,910	6,310	400
Stretton	0	0	0
Appleby Magna	0	0	0
<b>OTHER SPECIAL EXPENSES (NET COST OF SERVICE)</b>	<b>23,640</b>	<b>30,540</b>	<b>6,900</b>
Service Management recharges/Admin Buildings	28,900	28,900	0
<b>NET COST OF SERVICES AFTER RECHARGES</b>	<b>52,540</b>	<b>59,440</b>	<b>6,900</b>
Contribution to/(from) Balances/Reserves	3,631	5,507	1,876
<b>MET FROM GOVT GRANT &amp; COUNCIL TAX (Budget Requirement)</b>	<b>56,171</b>	<b>64,947</b>	<b>8,776</b>
<b>FUNDED BY:</b>			
Precept	(56,171)	(56,171)	0
Earmarked Reserve	0	(8,776)	(8,776)
	<b>(56,171)</b>	<b>(64,947)</b>	<b>(8,776)</b>

## 2024/25 Special Expenses Earmarked Reserves

Reserve	Balances 01.04.24	Spend to date	Forecast Spend	Use of Reserves	Forecast Balance as at 31.03.25
<u>Coalville - Earmarked Reserve</u>					
Local Authority Parks Improvement Programme	15,714	0	15,714	0	0
	<b>15,714</b>	<b>0</b>	<b>15,714</b>	<b>0</b>	<b>0</b>
<u>Coalville - PPM Earmarked Reserve</u>					
Coalville Park - Refurbishment of disabled toilets	4,500	4,500	0	0	0
Scotlands Recreation - Repairs to potholes	4,054	600	1,000	0	2,454
Broomleys Cemetery - Path repairs (sealing)	7,130	2,795	0	0	4,335
Cropston drive play area - Replacement play equip	33,050	0	7,877	19,838	5,335
Sharpley Avenue play area - Replacement play equip	19,660	0	18,450	1,210	0
St. Faiths Rd play area - Removal/collection of rubber surface	900	900	0	0	0
	<b>69,294</b>	<b>8,795</b>	<b>27,327</b>	<b>21,048</b>	<b>12,124</b>
<b>Total Coalville</b>	<b>85,008</b>	<b>8,795</b>	<b>43,041</b>	<b>21,048</b>	<b>12,124</b>
<u>Hugglescote - PPM Earmarked Reserve</u>					
Cemetery - sealing pathways	15,450	6,674	0	8,776	0
Cemetery - new trees, remove stumps	2,000	0	2,000	0	0
<b>Total Hugglescote</b>	<b>17,450</b>	<b>6,674</b>	<b>2,000</b>	<b>8,776</b>	<b>0</b>
<b>Total Earmarked Reserves</b>	<b>102,458</b>	<b>15,469</b>	<b>45,041</b>	<b>29,824</b>	<b>12,124</b>

## Treasury Management – Borrowing & Investments

### Borrowing

Table 1 below shows the breakdown of the types of external borrowing held by the Council:

**Table 1 – Borrowing summary.**

	31.3.24 Balance £m	Net Movement £m	31.12.24 Balance £m	31.12.24 Weighted Average Rate %	31.12.24 Weighted Average Maturity (years)
Public Works Loan Board	52.4	-0.6	51.8	3.38%	13.9
Banks (LOBO)	0.0	0.0	0.0	0.00%	0.0
Banks (fixed-term)	3.9	0.0	3.9	4.74%	2.1
Local authorities (long-term)	0.0	0.0	0.0	0.00%	0.0
Local authorities (short-term)	0.0	0.0	0.0	0.00%	0.0
<b>Total borrowing</b>	<b>56.3</b>	<b>-0.6</b>	<b>55.7</b>	<b>3.48%</b>	<b>16.0</b>

Since the beginning of the reporting period the Council has paid £1.0m in interest on borrowing. The forecast amount to be spent on interest on loans for the financial year 24/25 in total is £1.95m. The overall interest rate on borrowing is 3.48%.

During the reporting period the Council has paid back £0.6m principal on its loans. It is forecasting to repay £1.26m in PWLB loan principal by the end of the year. £1.26m is for the annuity loans whereby regular payments are made throughout the lifetime of the loan. There is no intention to borrow to replace these loans as the Council currently has the resources to absorb this. The budget for borrowing principal repayments was in line to be met.

### Investments

The breakdown of external investments held by the Council and movement since 31 December 2024 are shown in Table 2 below:

**Table 2 – Investment summary.**

	31.3.24 Balance £m	Net Movement £m	31.12.24 Balance £m	31.12.24 Income Return %	31.12.24 Weighted Average Maturity days
Banks & building societies (unsecured)	0.0	0.0	0.0	0.00%	0
Government (incl. local authorities)	30.0	-14.0	16.0	4.73%	24
Money Market Funds	0.0	25.0	25.0	4.73%	1
<b>Total investments</b>	<b>30.0</b>	<b>11.0</b>	<b>41.0</b>	<b>4.73%</b>	<b>24</b>

The Authority has budgeted £0.69m in interest income from investments after S106 deductions in 2024/25. Actual income received by 31<sup>st</sup> December 2024 was £1.05m. We are now forecasting the risk adjusted interest received by 31<sup>st</sup> March 2025 to be £1.367m and after S106 deductions income to be £1.093m. This will be split between the General Fund (GF) and Housing Revenue Account (HRA). This split will be 37.4% to the GF and 62.6% to HRA. The percentage split is worked using the investment balances for both funds throughout the year as a percentage of the overall investment fund

Interest forecasts are notoriously difficult to predict and are subject to change particularly in an unstable interest rate environment and constantly changing economic environment. These forecasts are likely to change again over the coming months as such an 80% risk adjustment is placed on anticipated income to avoid overreliance on interest return on budgets.