

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 16 DECEMBER 2025



Title of Report	GENERAL FUND FINANCE UPDATE - 2025/26 QUARTER 2	
Presented by	Councillor Keith Merrie Finance and Corporate Portfolio Holder <div style="display: flex; justify-content: space-between; align-items: center;"> PH Briefed <div style="border: 1px solid black; padding: 2px; border-radius: 5px; text-align: center;"> <input type="checkbox"/> Yes </div> </div>	
Background Papers	Council 20 February 2025: <u>General Fund Budget and</u> <u>Council Tax 2025/26</u> Cabinet 26 August 2025: <u>2025/26 Quarter 1 General</u> <u>Fund Finance Update</u>	Public Report: Yes Key Decision: Yes
Financial Implications	Any financial implications of this report are detailed in the body of the report and the attached appendices. Signed off by the Section 151 Officer: Yes	
Legal Implications	No legal implications arising from this report. Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	Any staffing implications of this report are detailed in the body of the report and the attached appendices. Signed off by the Head of Paid Service: Yes	
Purpose of Report	To provide Cabinet with an update on the financial position on the General Fund as at Quarter 2 2025/26.	
Reason for Decision	The Council's Financial Procedure Rules state that the S151 Officer must monitor and control expenditure against budget allocations and report to Cabinet on the overall position on a regular basis.	
Recommendations	<p>CABINET IS RECOMMENDED TO:</p> <ol style="list-style-type: none"> 1. NOTE THE FORECAST UNDERSPEND ON GENERAL FUND FOR 2025/26 OF £496K BASED ON QUARTER 2 INFORMATION. 2. NOTE THE SPECIAL EXPENSES FORECAST OUTTURN FIGURES FOR 2025/26 BASED ON QUARTER 2 INFORMATION. 3. NOTE THE GENERAL FUND CAPITAL PROGRAMME DETAILED IN APPENDIX 5. 	

1.0 INTRODUCTION

1.1 This report updates Cabinet on the General Fund spending from 1 April to 30 September 2025, with a focus on significant variances from approved budgets. Due to finance system backlog and delays in closing the 2024/25 accounts, detailed analysis was not possible; therefore, only major variances are reported based on available information and discussions with Finance and budget holders. The finance team is prioritising completion of the 2024/25 Statement of Accounts, scheduled for release in the coming weeks.

1.2 A series of meetings have taken place with portfolio holders, providing an opportunity to discuss the financial positions relevant to their respective portfolios in detail. These discussions have been instrumental in refining the overall understanding of both current and anticipated pressures across the Council.

2.0 GENERAL FUND REVENUE

2.1 Table 1 below summarises the second quarter position summarised by Directorate. The current projections are that an underspend of £496k on the overall General Fund budget is expected for 2025/26.

Table 1 – General Fund Revenue 2025/26 Quarter 2 Forecast Outturn Position

Directorate	Revised Budget £'000	Forecast £'000	Variance £'000
Chief Executive Directorate	3,013	3,080	67
Place Directorate	2,247	2,359	112
Community Services Directorate	7,951	8,514	563
Resources Directorate	5,432	5,863	431
Corporate & Democratic Core & Other Budgets	506	303	(203)
NET COST OF SERVICES	19,150	20,120	970
Net Recharges from General Fund	(1,714)	(2,055)	(341)
NET COST OF SERVICES AFTER RECHARGES	17,436	18,065	629
Total Corporate Items and Financing	1,638	979	(659)
NET REVENUE EXPENDITURE	19,074	19,044	(30)
Contribution to/(from) Balances/Reserves	(0)	(0)	0
NET EXPENDITURE (AFTER RESERVE CONTRIBUTIONS)	19,074	19,044	(30)
FUNDING TOTAL	(19,074)	(19,540)	(466)
FORECAST (UNDERSPEND) / OVERSPEND	(0)	(496)	(496)

2.2 Cabinet should note that the position is a forecast and could change by 31 March 2026. The forecast underspend will be transferred to the Medium-Term Financial Plan (MTFP) Reserve at year-end.

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

2.4 The 2025/26 budget incorporated savings totalling £573k. These have been reviewed to establish delivery against set targets and updated according to a RAG rating system as follows: green achieved, amber on track to be achieved, red at risk of non-delivery. £19k savings have been achieved (green) whilst £527k savings are on track to be achieved (amber). The detailed proposals are in Appendix 2.

2.5 While there is an underspend, the Council has incorporated mitigations in the budget proposals for 2026/27 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.

2.6 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.

3.0 SECTION 106 AGREEMENTS

3.1 Section 106 agreement funds of £6.5m were held by the Council as at 31 March 2025. During the financial year, the Council has received an additional £456k contributions and £91k has been spent so far by the Police Authority, Healthcare, River Mease and Recreations/Parks. A breakdown of the £6.9m balance as at 30 September 2025 is provided at Appendix 3.

4.0 GENERAL FUND RESERVES

4.1 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.

4.2 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. There is a significant reduction in the business rates reserve, this is due to the Council's strategy of utilising reserves to fund the capital programme. Whilst the balance reduced to approximately £1m at the end of the year, a contribution to the reserve is expected to support future years capital investments.

4.4 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.

4.5 The balance of the business rates reserve is forecast to be £11.8m by the 31 March 2026. Most of this balance (£10.3m) has been committed within the approved capital programme for 2026/27 and 2027/28 and an additional £0.8m in revenue one off proposals.

Table 2 – General Fund Usable Revenue Reserves Quarter 2 Forecast

	Provisional Balance as at 01/04/25 £'000	In Year Movements £'000	Forecasted Balance as at 31/03/26 £'000
Service Earmarked Reserves	4,142	(548)	3,593
Business Rates	9,269	(8,332)	937
MTFP	6,716	(722)	5,993
Special Expenses	99	(35)	64
Total Earmarked Reserves	20,226	(9,638)	10,587
General Fund Balance	1,544	-	1,544
Special Expenses	83	-	83
Total Reserves	21,853	(9,638)	12,214

5.0 GENERAL FUND CAPITAL

5.1 The revised budget for the General Fund Capital Active Programme for 2025/26 is £10.9m. The actual spend from April to September 2025 was £905k, representing 8% of the revised budget. The forecast outturn is £3m representing 27% of the revised budget and £7.9m of the budget will slip into future years. The majority of the slippage, £7.5m, into 2026/27, is due to the long lead time in procuring specialist vehicles within the fleet replacement programme.

5.2 Table 3 shows the expenditure and forecast against the budget at quarter two, with a more detailed information in Appendix 5.

Table 3 – Quarter 2 2025/26 Outturn on the General Fund Capital

Project	Revised Budget £'000	Actual Expenditure £'000	Forecast Outturn £'000	Variance £'000	Slippage to 2026/27 £'000
Coalville Regeneration Projects	1,061	81	875	-186	250
UK Shared Prosperity Investment Plan	146	146	146	-	-
Zero Carbon	300	0	250	-50	-
Systems/ICT Systems	220	95	220	-	-
Vehicles, Plant and Equipment	7,736	37	237	-7,499	7,499
New Construction or Renovation	1,441	545	1,277	-164	164
Total Active Programme	10,904	905	3,020	-7,883	7,913
Total REFCUS	2,255	222	978	-1,276	1,276
Total Special Expenses	22	-	20	2	

6.0 CAPITAL PRUDENTIAL INDICATORS

6.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Capital Prudential Indicators are a set of forward-looking measures required under the Prudential Code for Capital Finance in Local Authorities, designed to ensure that local authority capital investment plans are affordable, prudent, and sustainable. They form part of the statutory framework under the Local Government Act 2003 and are closely linked to Treasury Management indicators. They provide transparency and accountability for capital investment decisions, support strategic planning and risk management and ensure borrowing and investment decisions are taken in accordance with good professional practice.

6.2 The key Capital Prudential Indicators are:

1. Estimates of Capital Expenditure

- Forecast of planned capital spending for the forthcoming and following years.
- Shows the scale of investment and its impact on resources.

2. Capital Financing Requirement (CFR)

- Represents the underlying need to borrow for capital purposes.
- Increases when capital expenditure is financed via borrowing and decreases as debt is repaid, via Minimum Revenue Provision (MRP).

3. External Debt Indicators

- **Operational Boundary:** The expected maximum level of external debt during the year (borrowing + long-term liabilities).
- **Authorised Limit:** The statutory upper limit on external debt that must not be breached without Council approval.
- **Actual External Debt:** The real position at a point in time.

4. Affordability Indicator

- **Ratio of Financing Costs to Net Revenue Stream:** Shows the proportion of revenue budget used for debt charges.

6.3 It is a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis. The Capital Prudential Indicators for quarter two can be found in Appendix 6.

7.0 SPECIAL EXPENSES

7.1 Table 6 below summarises the forecast outturn position for the Special Expense areas. Further information is contained within Appendix 7 which provides a more detailed analysis.

Table 6 - Special Expenses 2025/26 Quarter 2 Monitoring and Forecast Outturn Position

	Approved Budget £'000	Forecast Outturn £'000	Variance
Expenditure Requirement	646	656	10
Precept	(639)	(639)	-
Transfer to/(from) reserves	(7)	(17)	(10)

7.2 At the end of the second quarter, Coalville special expenses are forecast to be £4k under budget, Hugglescote special expenses £10k over budget and Whitwick special expenses £3k over budget, with other special expense areas forecasting minor variances. It is forecast that budget shortfalls will be funded from balances where available or if not recovered through future years budget setting process.

7.3 The major variances are summarised in table 7 below:

Table 7 – Special Expenses Major Variances

Special Expenses - Major Variances	£'000
<u>Coalville</u>	
Cemetery – increased income from burial and monument fees	(1)
Parks, Recreational Grounds, Open Spaces - increased repairs and maintenance	2
Events – reduced salaries and overtime	(5)
<u>Hugglescote</u>	
Cemetery – increased repairs and maintenance	3
Cemetery – reduced income from burial fees	7
<u>Whitwick</u>	
Cemetery – increased repairs and maintenance	2
Cemetery – increased water charges	2
Cemetery – increased income from burial and monument fees	(2)

7.4 The provisional balances as at 1 April 2025 and the forecast outturn as at 31 March 2026 are shown in Table 8 below. Two of the current Special Expense areas are forecast to be in a deficit position. The deficits for current special expenses will be recovered over future years to ensure that a minimum of 10% balances are retained.

Table 8 - Forecasted Special Expense Balances 2025/26

	Provisional Balances 01.04.25 Surplus/ (Deficit) £	Forecast Contribution to/(from) Balances £	Forecast Balances 31.03.26 Surplus/ (Deficit) £
<u>Current</u>			
Coalville	46,655	34,508	81,163
Whitwick	(4,934)	(16,280)	(21,214)
Hugglescote/Donington Le Heath	44,645	(42,965)	1,680
Coleorton	348	583	931
Oakthorpe, Donisthorpe and Acresford	(10,578)	7,015	(3,563)
Ravenstone	1,520	(39)	1,481
<u>Previous</u>			
Lockington/Hemington	2,286	-	2,286
Measham	1,940	-	1,940
Stretton	(1,719)	-	(1,719)
Appleby Magna	2,608	-	2,608

7.5 A list of the Special Expense earmarked reserves as at the end of September 2025 are shown in table 9 below. Appendix 8 gives a more detailed analysis.

Table 9 - 2025/26 Special Expenses Earmarked Reserves

	Balances 01.04.25 £	Spend to date £	Forecast Spend £	Forecast Balance as at 31.03.26 £
Coalville	97,480	12,300	21,272	63,908
Oakthorpe, Donisthorpe and Acresford	1,660	-	1,660	-
	99,140	12,300	22,932	63,908

8.0 TREASURY MANAGEMENT

8.1 The following outlines the Treasury position and variance to budget of the Council's Treasury Management function. The Council's Treasury Management Strategy for 2025/26 was approved at a Council meeting on 20 February 2025. 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.

8.2 Table 10 shows the progression of investment income and borrowing interest as at 30 September 2025.

Table 10 – Treasury Management Forecast Outturn 2025/26

	Budget £'000	Forecast £'000	Variance £'000
Investment Interest Income:			
General Fund	(150)	(809)	(659)
Housing Revenue Account	(294)	(436)	(142)
S106 Deductions	-	(271)	(271)
Total	(443)	(1,515)	(1,071)
Borrowing:			
Interest Expenditure	1,920	1,920	-
Principal Repaid	1,297	1,297	-
Total	3,217	3,217	-
Net Financing Costs	2,774	1,702	(1,071)

8.3 Investment interest income is forecast to increase from £0.4m to £1.24m (excluding S106 deductions) due to the authority holding higher than forecast balances, which have been mainly invested in well-paying Money Market Funds.

8.4 Borrowing interest expenditure is forecast be in line with budget.

8.5 Table 11 shows a summary of the Council's external investments and borrowing along with the interest rate of return/borrowing.

Table 11 – Treasury Summary

	Balance 01.04.25 £'m	Movement £'m	Balance 31.03.25 £'m	Rate at 30.09.25 £'m
Long-Term borrowing	53.8	-	53.8	3.54%
Short-term borrowing	1.3	(0.6)	0.7	2.24%
Total borrowing	55.1	(0.6)	54.5	3.51%
Long-term investments	-	-	-	0.00%
Short-term investments	10.0	8.0	18.0	4.20%
Cash and Cash Equivalents	19.5	(6.5)	13.0	4.27%
Total investments	29.5	1.5	31.0	4.23%
Net borrowing	25.6	(2.1)	23.5	

8.6 Further information on the Council's borrowing and investments can be found in Appendix 9.

8.7 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 £1.29m 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.

Policies and other considerations, as appropriate	
Council Priorities:	A well-run council The spending from the budget provides funding for the Council to deliver against all its priorities.
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None.
Economic and Social Impact:	None.
Environment, Climate Change and Zero Carbon:	None.
Consultation/Community/Tenant Engagement:	None.
Risks:	<p>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 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>
Officer Contact	Anna Crouch Head of Finance & Deputy S151 Officer anna.crouch@nwleicestershire.gov.uk

North West Leicestershire District Council
2025/26 Quarter 2 Variances

Service	Revised Budget £	Forecast £	Variance £	Comments on major variances
Chief Executive	225,330	231,040	5,710	
Human Resources	806,150	853,130	46,980	
Legal & Support Services	1,981,250	1,996,060	14,810	
Chief Executive Directorate	3,012,730	3,080,230	67,500	
Strategic Director of Place	154,560	153,980	(580)	
Property and Economic Regeneration	828,905	854,277	25,372	
Planning & Infrastructure	1,260,020	1,383,880	123,860	Overspend of £126k in relation to Development Management incurred due to elevated expenses associated with urban design initiatives, the "Our Place" project, and related publicity activities.
Joint Strategic Planning	3,870	(32,940)	(36,810)	
Place Directorate	2,247,355	2,359,197	111,842	
Head of Community Services	123,600	120,940	(2,660)	
Community Services	7,235,680	7,698,890	463,210	<p>Environmental Protection - There has been no increase or decrease in staff numbers and this relates to the service not being able to meet the vacancy target.</p> <p>Markets Reduced Income Lower than forecasted footfall into Newmarket is reflected in the reduced number of traders being attracted to Newmarket, this is also the case regarding outdoor markets on Friday and Saturdays although the one-off special events are proving popular. Two events have needed to be cancelled due to high winds in the last quarter.</p> <p>Reduced air quality There is less spend on the equipment budget for monitoring air quality across the district which reflects in part the fact that Air Quality Management areas are now reduced to one in the district</p> <p>Increased CCTV monitoring costs This reflects rising operational costs being experienced by the Council's contractor which the Council has a legal obligation to meet.</p> <p>Reduced HVO costs Hydrotreated Vegetable Oil has been gaining popularity as a cleaner alternative to fossil diesel. However, recent market dynamics are leading to a reduction in its pricing due to increased global production capacity, technological advancements, government incentives and policy support. As of September 2024, global bunker fuel prices have been trending downward, with notable declines driven by a combination of weaker demand and improved supply conditions.</p> <p>Our ordering remains currently every two to three weeks dependent on demand, and our orders remain at between 18,000 and 20,000 litres each occasion. This frequency and ordering pattern remains consistent with historical ordering patterns for NWLDC.</p> <p>Leisure Services Grounds Maintenance - This is down to the increased requests in one-off works from Housing Services for jobs to be undertaken that aren't covered as part of the Service Level Agreement. The team has limited additional capacity to undertake these works and so the majority are either delivered as overtime, by casuals, or they are sub-contracted out. However, the income generated through the charges for these works is greater than the additional expenditure paid out on overtime, casuals and external contractors</p> <p>Leisure contractor reduced utility benchmarking. The reduction in utility benchmarking payments to Everyone Active is down to three elements;</p> <ul style="list-style-type: none"> •Utility rates for our leisure partner, Everyone Active, have reduced significantly following a period of them being extremely high •Electricity consumption at Ashby Leisure Centre and Lido has reduced due to the installation of LED lamps throughout the building and a refinement of the Building Management System (BMS) so that pumps can be ramped down more effectively overnight and at quieter times. •Electricity consumption at Whitwick and Coalville Leisure Centre has reduced due to the installation of 400 solar panels and storage batteries
Strategic Housing	592,206	694,410	102,204	A projected overspend of £72k in Rough Sleeping is mainly attributed to higher third-party service costs and salaries surpassing available grant funding. Similarly, an £86k overspend is expected due to staff costs not covered by the Homelessness Prevention Grant, although this figure could decrease if asylum grant funding is obtained in the second half of the year. Conversely, Housing Strategy and Homelessness shows a £56k underspend thanks to additional received grant funding.
Community Services Directorate	7,951,486	8,514,240	562,754	
Strategic Director of Resources	258,040	261,350	3,310	
Audit	160,600	159,580	(1,020)	
Finance	1,303,670	1,743,100	439,430	The Council has hired agency staff to address its financial reporting backlog, publishing three sets of accounts since December 2024. Efforts have been made to upgrade the Unit4 system to meet requirements. Agency costs are funded from the MTFP reserve and additional investment income, which helps offset these expenses. Some of these costs are also recharged to the HRA.
Revenues and Benefits	1,288,820	1,207,370	(81,450)	Additional £92k summons income.
ICT	1,300,080	1,393,350	93,270	Due to sickness and resignations within the ICT, additional agency costs have been incurred, partially offset by a reduction in staffing costs. Recruitment for permanent roles is ongoing, with start dates at the end of January 2026. A £36K print charge overspend likely, results from insufficient internal charges to cover lease costs, potentially compounded by reduced Council-wide printing; a review with Finance is planned. The £56K overspend is split between 6DG cloud/datacentre contract overlap and general price increases, though costs should decrease as the new contract progresses.
Customer Services	1,114,340	1,094,510	(19,830)	
Business Change	6,280	4,010	(2,270)	
Resources Directorate	5,431,830	5,863,270	431,440	
Contingency	210,504	0	(210,504)	
Corporate & Democratic Core & Other Budgets	295,950	303,210	7,260	
Corporate & Democratic Core & Other Budgets	506,454	303,210	(203,244)	
NET COST OF SERVICES	19,149,855	20,120,147	970,292	
Recharges to/(from) Other Funds	(1,713,876)	(2,055,190)	(341,314)	
Net Recharges from General Fund	(1,713,876)	(2,055,190)	(341,314)	
NET COST OF SERVICES AFTER RECHARGES	17,435,979	18,064,957	628,978	
Net Financing Costs	1,788,071	1,788,071	0	
Investment Income	(150,360)	(809,000)	(658,640)	
Total Corporate Items and Financing	1,637,711	979,071	(658,640)	
NET REVENUE EXPENDITURE	19,073,690	19,044,028	(29,662)	
Contribution to/(from) Balances/Reserves	0	0	0	
NET EXPENDITURE (AFTER RESERVE CONTRIBUTIONS)	19,073,690	19,044,028	(29,662)	
FUNDING TOTAL	(19,073,690)	(19,539,750)	(466,060)	
FORECAST (UNDERSPEND) / OVERSPEND	0	(495,722)	(495,722)	

NORTH WEST LEICESTERSHIRE SAVINGS PROGRAMME PERFORMANCE AT QUARTER 2 2025/26

	Service	Proposal Description & Service Impact	2025/26	2026/27	2025/26 Achieved	2025/26 On Track	2025/26 At Risk of Non Achievement	Comments
			£'000	£'000	£'000	£'000	£'000	
Community Services	Community Services	Savings Agreed Deletion of Leisure Officer post at Measham Leisure Centre.	(18)		(18)	0	0	Post deleted and savings fully achieved.
Community Services	Community Services	Deletion of Community Focus post.	(53)		0	0	(53)	Vacant post has now been filled on a three year contract. Savings will not be achieved.
Community Services	Community Services	Disabled Facilities Grant service provision saving	(1)		(1)	0	0	Saving Achieved
Community Services	Community Services	Everyone Active changes in line with contract	26	(38)	26	0	0	Growth provided in 2025/26, savings for 2026/27 are on track.
Place	Property and Economic Regeneration	Funding of regeneration salaries – capitalisation of salaries which provides a saving on the revenue budget	(500)		0	(500)	0	On track to be achieved.
Various	Various	De minimis budgets ranging from £2k to £10k including subscriptions and additional income	(27)		0	(27)	0	On track to be achieved.
		Total Savings	(573)	(38)	7	(527)	(53)	

Section 106 Quarter 2 2025/26 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 30 September 2025 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	302,255	0	(11,976)	290,279
River Mease - Retain	27,042	0	0	27,042
Air Quality	56,598	0	0	56,598
Leicestershire County Council	0	332,664	0	332,664
Police	137,440	0	(11,513)	125,927
Recreation/Play Areas/Leisure	760,974	0	(24,198)	760,974
Parish Councils	0	0	0	0
Affordable Housing	2,523,964	75,000	0	2,598,964
National Forest - Available	14,067	0	0	14,067
Healthcare	944,086	48,545	(43,432)	949,198
Highways	1,604,313	0	0	1,604,313
Network Rail	19,294	0	0	19,294
CCTV	13,035	0	0	13,035
Land & Open Space	98,226	0	0	98,226
	6,501,294	456,209	(91,120)	6,866,382

*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.

Please note that the financial data currently presented is subject to ongoing updates due to a processing backlog within the finance system. Consequently, the figures may not yet represent the most current or complete position. We recommend taking this into account when reviewing the information. Further updates will be communicated once the backlog has been fully resolved.

North West Leicestershire District Council
Estimated Reserves as at 31st March 2026

Service Area	Provisional Balance as at 01/04/2025	Forecasted Movement (From)/To Reserves 2025/26	Forecasted Balance as at 31/03/2026
	£	£	£
Chief Executive	100	(75)	25
Human Resources	30	(14)	16
Legal & Support Services	86	12	98
Community Services	1,042	(233)	809
Strategic Housing	394	0	394
Planning & Infrastructure	871	(62)	809
Property and Economic Regeneration	420	(11)	409
Joint Strategic Planning	172	0	172
Director of Resources	80	(1)	79
Customer Services	7	(3)	4
Business Change	549	(118)	431
ICT	0	23	23
Internal Audit	0	0	0
Finance	346	(66)	279
Service Earmarked Reserves	4,097	(548)	3,548
Business Rates	9,356	2,421	11,777
MTFP	6,716	(720)	5,996
Special Expenses	99	(35)	64
Total Earmarked Reserves	20,268	1,118	21,385
Unallocated			
General Fund	1,544	0	1,544
Special Expenses	83	0	83
Total Reserves - General Fund & Special Expenses	21,895	1,118	23,012

GENERAL FUND CAPITAL 2025/26 QUARTER 2

Project Name	2025/26 Revised Budget	Actual Expenditure	Forecast Outturn	Variance	Slippage to 2026/27	Funding				Comments
						Grant	Revenue	Business Rates Reserve	Total	
ACTIVE PROGRAMME										
Coalville Regeneration Projects										
Marlborough Square Improvements	61,039	71,556	125,200	64,161	-			125,200	125,200	Final account being settled, this is an estimate. Overspend to be funded from Business Rates Reserve.
Marlborough Centre Purchase and Renovation	500,000	9,212	250,000	- 250,000	250,000			250,000	250,000	Delay in starting the Preconstruction services agreement, balance will be slipped into 26/27
Capitalisation of Salaries	500,000	-	500,000	-	-			500,000	500,000	Salaries will be capitalised at year end
Total Coalville Regeneration Projects	1,061,039	80,768	875,200	- 185,839	250,000			875,200	875,200	
UK Shared Prosperity Investment Plan Programme (UKSPF)										
Moira Furnace	145,859	145,859	145,859	-	-		145,859		145,859	
Total Vehicles, Plant and Equipment	145,859	145,859	145,859				145,859	-	145,859	
Zero Carbon										
Solar EV Hub Moneyhill	300,000	-	250,000	- 50,000	-	250,000			250,000	Scheme to be covered by grant, £50k additional contribution from reserves unlikely to be needed
Total Zero Carbon	300,000	-	250,000	- 50,000	-	250,000	-	-	250,000	
Systems/ICT Systems										
Laptop Replacement	92,000	49,284	92,000	-	-			92,000	92,000	
Replacement Windows Server	50,000	-	50,000	-	-			50,000	50,000	
Wide Area Network (WAN)	50,000	46,168	50,000	-	-			50,000	50,000	
Replacement Audit Visual Equipment	27,554	-	27,554	-	-			27,554	27,554	
Total Systems/ICT Systems	219,554	95,452	219,554					219,554	219,554	
Vehicles, Plant and Equipment										
Refuse Bins and Recycling Containers (Annual Programme)	200,000	-	200,000	-	-			200,000	200,000	
Food Waste Collections	1,154,138	-	-	- 1,154,138	1,154,138				-	Expenditure delayed until 26/27 due to procurement delays.
Refuse Bins and Recycling Containers (Project)	1,674,000	37,114	37,114	- 1,636,886	1,636,886			37,114	37,114	Expenditure delayed until 26/27 due to procurement delays.
Fleet Replacement Programme	4,708,000	-	-	- 4,708,000	4,708,000				-	Expenditure delayed until 26/27 due to procurement delays.
Total Vehicles, Plant and Equipment	7,736,138	37,114	237,114	- 7,499,024	7,499,024			237,114	237,114	
New Construction or Renovation										
The Courtyard Roof Repair	200,000	-	200,000	-	-			200,000	200,000	
Service Road Resurfacing	500,000	-	500,000	-	-			500,000	500,000	
Car Park Resurfacing	164,000	-	-	- 164,000	164,000				-	Work unlikely to be completed in 25/26, will be carried forward to 26/27
Customer Contact Centre Refurbishment	17,450	-	17,450	-	-			17,450	17,450	
Moira Furnace	266,741	259,601	266,741	-	-			266,741	266,741	
St John Ambulance Building	270,000	270,000	270,000	-	-			270,000	270,000	
New Print and Post Room (WBC)	23,000	-	23,000	-	-			23,000	23,000	
Hermitage Recreation Eco Park - Tree Planting	-	15,900	16,000	16,000	-			16,000	16,000	Budget to be carried forward from 2024/25 as part of the closedown of the accounts.
Total New Construction or Renovation	1,441,191	545,501	1,293,191	- 148,000	164,000			1,293,191	1,293,191	
TOTAL ACTIVE PROGRAMME	10,903,781	904,694	3,020,918	- 7,882,863	7,913,024		395,859	-	2,625,059	3,020,918

REFCUS

Project Name	2025/26 Revised Budget	Actual Expenditure	Forecast Outturn	Variance	Slippage to 2026/27	Funding				Comments
						Grant	Revenue	Business Rates Reserve	Total	
£	£	£	£	£	£	£	£	£	£	£
Disabled Facilities Grants	1,614,059	222,381	728,333	- 885,726	885,726	728,333			728,333	
Castle Donington 3G Pitch Development	250,000	-	250,000	-	-			250,000	250,000	
Rural England Prosperity Fund	140,699	-	-	- 140,699	140,699				-	
Local Nutrient Mitigation Fund	250,000	-	-	- 250,000	250,000				-	
Total REFCUS	2,254,758	222,381	978,333	- 1,276,425	1,276,425	728,333	-	250,000	978,333	
SPECIAL EXPENSES										
Coaville Cemetery - Meadow Lane (Broomley's)	22,000	-	20,000	- 2,000	-	20,000		20,000	Project to be delivered £2k under budget	
TOTAL SPECIAL EXPENSES	22,000	-	20,000	- 2,000	-	-	20,000	-	20,000	
TOTAL CAPITAL PROGRAMME	13,180,539	1,127,075	4,019,251	- 9,161,288	9,189,449	1,124,192	20,000	2,875,059	4,019,251	

Appendix 6

Prudential Indicators Quarter Two 2025/26

The Council 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 Council has undertaken and is planning capital expenditure as summarised below.

	2024/25 draft outturn* £'m	2025/26 forecast £'m	2026/27 budget £'m
General Fund services	4.3	3.9	6.4
Council housing (HRA)	5.2	17.2	15.1

* 2024/25 figures are based on the draft outturn position and may be subject to change.

The main General Fund capital projects to date have included Coalville regeneration project £1.1m, Disabled Facility Grants (DFG) £0.7m and Fleet replacement programme and food waste collections £7.5m. HRA capital expenditure is recorded separately and to date includes New Supply £5.7m, Home Improvement Projects £9.7m and Other HRA Projects £2.8m.

Capital Financing Requirement: The Council'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 Minimum Revenue Provision (MRP)/loans fund repayments and capital receipts used to replace debt. The actual CFR is calculated on an annual basis.

	2024/25 draft outturn* £'m	2025/26 forecast £'m	2026/27 budget £'m
General Fund services	34	32.6	31.3
Council housing (HRA)	54.9	55.4	61.9
TOTAL CFR	88.9	88.6	93.2

* 2024/25 figures 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 Council has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	2024/25 draft outturn* £'m	2025/26 budget £'m	2026/27 budget £'m	Debt at 30.09.25 £'m
Debt (incl. PFI & leases)	55.1	53.8	52.5	54.5
Capital Financing Requirement	88.9	88.6	93.2	

* 2024/25 figures are based on the draft outturn position and may be subject to change.

Debt and the Authorised Limit and Operational Boundary: The Council 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.

	Maximum debt 2025/26	Debt at 30.09.25	2025/26 Authorised Limit	2025/26 Operational Boundary	Complied? Yes/No
Borrowing	55.1	54.5	100.8	90.8	Yes
PFI & Finance Leases	0.0	0.0	2.0	2.0	Yes
Total debt	55.1	54.5	102.8	92.8	Yes

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.

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

* 2024/25 figures are based on the draft outturn position and may be subject to change.

Treasury Management Indicators: These indicators (Liability Benchmark, Maturity Structure of Borrowing, Long-Term Treasury Management Investments and other voluntary indicators are within the Audit and Governance Committee 12 November 2025 – Treasury Management Update Report – Quarter 2.

Special Expenses 2025/26 Q2 Monitoring & Forecast Outturn Position

COALVILLE SPECIAL EXPENSES	Approved Budget £	Forecast Outturn £	Variance £
Parks, Recreation Grounds & Open Spaces	£ 326,670	328,900	2,230
Broomley's Cemetery & Closed Cemetery	21,330	20,550	(780)
Coalville in Bloom	5,000	5,000	0
Coalville Events	98,340	93,390	(4,950)
SPECIAL EXPENSES (NET COST OF SERVICE)	451,340	447,840	(3,500)
Service Management recharges/Admin Buildings	92,710	92,710	0
NET COST OF SERVICES AFTER RECHARGES	544,050	540,550	(3,500)
Contribution to/(from) Balances/Reserves	31,008	34,508	3,500
MET FROM COUNCIL TAX (Budget Requirement)	575,058	575,058	0
FUNDED BY:			
Precept	(575,058)	(575,058)	0
EMR not required - returned to balances	0	0	0
	(575,058)	(575,058)	0

OTHER SPECIAL EXPENSES	Approved Budget £	Forecast Outturn £	Variance £
Whitwick	£ 22,390	24,900	2,510
Hugglescote	43,620	53,980	10,360
Coleorton	1,100	1,110	10
Ravenstone	1,150	1,150	0
Oakthorpe & Donisthorpe	4,370	4,660	290
OTHER SPECIAL EXPENSES (NET COST OF SERVICE)	72,630	85,800	13,170
Service Management recharges/Admin Buildings	29,770	29,770	0
NET COST OF SERVICES AFTER RECHARGES	102,400	115,570	13,170
Contribution to/(from) Balances/Reserves	(38,516)	(51,686)	(13,170)
MET FROM COUNCIL TAX (Budget Requirement)	63,884	63,884	0
FUNDED BY:			
Precept	(63,884)	(63,884)	0
EMR not required - returned to balances	0	0	0
	(63,884)	(63,884)	0

2025/26 Special Expenses Earmarked Reserves

Reserve	Balances 01.04.25 £	Spend to date £	Forecast Spend £	No Longer Required £	Forecast Balance as at 31.03.26 £
<u>Coalville - Earmarked Reserve (S106)</u>	£	£	£	£	£
Western Ave Rec Grd Improvements	42,970	5,100	0	0	37,870
Ongoing Grds Mtce - various sites	33,238	7,200	0	0	26,038
	76,208	12,300	0	0	63,908
<u>Coalville - PPM Earmarked Reserve</u>					
Scotlands Recreation - Repairs to potholes	1,903	0	1,903	0	0
Broomleys Cemetery - Path repairs (sealing)	8,634	0	8,634	0	0
Play Areas (various) - Painting of Equipment	5,400	0	5,400	0	0
Bardon match funding - Cropston drive/Sharpley Ave play areas	5,335	0	5,335	0	0
	21,272	0	21,272	0	0
Total Coalville	97,480	12,300	21,272	0	63,908
<u>Oakthorpe & Donisthorpe - PPM Earmarked Reserve</u>					
Play Area - Painting of Equipment	1,660	0	1,660	0	0
Total Oakthorpe & Donisthorpe	1,660	0	1,660	0	0
Total Earmarked Reserves	99,140	12,300	22,932	0	63,908

Appendix 9

Treasury Management – Borrowing and Investments

Borrowing

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

Table 1 – Borrowing summary

	31.03.25 Balance	Net Movement	30.09.25 Balance	30.09.25 Weighted Average Rate %	30.09.25 Weighted Average Maturity (years)
	£m	£m	£m		
Public Works Loan Board	51.1	-0.6	50.5	3.41%	13.5
Banks (fixed-term)	3.9	0.0	3.9	0.34%	2.1
Local authorities (long-term)	0.1	0.0	0.1	3.14%	0.0
Local authorities (short-term)	0.0	0.0	0.0	0.00%	0.0
Total borrowing	55.1	-0.6	54.5	3.48%	15.6

Since the beginning of the reporting period the Council has paid £0.96m in interest on borrowing. The forecast amount to be spent on interest on loans for the financial year 25/26 in total is £1.9m. 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 £1.3m in PWLB loan principal by the end of the year. £1.29m 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 March 2025 are shown in Table 2 below:

Table 2 – Investment summary

	31.3.25 Balance	Net Movement	30.09.25 Balance	30.09.25 Income Return	30.09.25 Weighted Average Maturity (days)
	£m	£m	£m	%	
Banks & building societies (unsecured)	0.0	0.0	0.0	0.00%	0
Government (incl. local authorities)	0.0	18.0	18.0	4.20%	8
Money Market Funds	19.5	-6.5	13.0	4.27%	1
Total investments	19.5	11.5	31.0	4.23%	9

The Council has budgeted £0.44m in interest income from investments after S106 deductions in 2025/26. Actual income received by 30 September 2025 was £0.98m. We are now forecasting the risk adjusted interest received by 31 March 2026 to be £1.51m and after S106 deductions income to be £1.24m.

The updated forecast of £1.24m will be split between the General Fund (GF) and Housing Revenue Account (HRA). This split will be 65% to the GF and 35% 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.