

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 24 FEBRUARY 2026



Title of Report	2024/25 FINANCIAL OUTTURN - GENERAL FUND	
Presented by	Councilor Keith Merrie MBE Finance and Corporate Portfolio Holder PH Briefed	<input type="checkbox"/> Yes
Background Papers	Published draft accounts Statement of Accounts 2024-25 (unaudited) v2.pdf	Public Report: Yes
	Cabinet – 26/03/2024 2023/24 Quarter 3 General Fund Finance Update	Key Decision: No
Financial Implications	The outturn position on the General Fund is an underspend of £966k which is an improvement from the previous forecast at Quarter 3 of an £977k overspend. Signed off by the Section 151 Officer: Yes	
Legal Implications	There are no direct legal implications arising from the report. Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no direct implications arising from the report.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To present an overview of the Council’s General Fund financial outturn for 2024/25.	
Reason for Decision	As required under Financial Procedure Rule A19.	
Recommendations	<p>THAT CABINET:</p> <ol style="list-style-type: none"> 1. NOTES THE UNDERSPEND OF £966K ON THE GENERAL FUND FOR 2024/25. 2. NOTES THE UNDERSPEND OF £13.2M ON THE CAPITAL PROGRAMME 	

1.0 BACKGROUND

1.1 It is considered good practice for local authorities to publish the General Fund outturn position, as this promotes transparency and accountability in the management of public finances. Providing a clear and timely summary of the financial outturn enables councillors, stakeholders, and the public to scrutinise how resources have been utilised against the approved budget. Furthermore, this openness helps build trust in the authority’s financial stewardship and supports informed decision-making regarding future spending priorities and resource allocation.

1.2 The Council is required to produce Financial Statements each year that 'give a true and fair view' of the financial position and transactions of the Council. The draft accounts for 2024/25 were published on the Council's website on 22 January 2026. This report presents the final outturn position for the General Fund 2024/25. The General fund reported a surplus of £980K for the financial year. This position reflected a combination of adverse and favourable variances across services. This surplus contributes to increasing the Council's reserves position.

2.0 REVENUE OUTTURN

2.1 The outturn position on the General Fund is summarised in Table 1 below. The outturn position shows an underspend of £966k for the year. Details on the significant variances are detailed below in section 2.2.

Table 1 2024-25 General Fund Revenue Outturn

Directorate & Service Area	Revised Budget	Outturn	Outturn Variance
	£'000	£'000	£'000
Chief Executive Directorate	2,737	2,910	173
Place Directorate	2,579	2,229	(350)
Community Services Directorate	7,432	7,610	178
Resources Directorate	5,498	5,068	(430)
Corporate & Democratic Core (CDC) & Other Budgets	278	356	78
NET COST OF SERVICES	18,524	18,173	(351)
Net Recharges from General Fund	(1,859)	(2,012)	(153)
NET COST OF SERVICES AFTER RECHARGES	16,665	16,161	(504)
Corporate Items & Financing	1,497	775	(722)
NET REVENUE EXPENDITURE	18,162	16,936	(1,226)
Contribution Reserves - Business Rates	(751)	15,346	16,097
NET EXPENDITURE (AFTER RESERVE CONTRIBUTIONS)	17,411	32,282	14,871
TOTAL FUNDING AVAILABLE	(17,411)	(33,248)	(15,837)
UNDERSPEND / (OVERSPEND) 2024/2025	0	966	966

2.2 The significant variances comparing the revised budget to outturn are set out below:

Chief Executive

The Chief Executive's Section reported an overspend of £173k in 2024/2025. This adverse variance was driven primarily by staffing and operational pressures, most notably higher-than-budgeted agency costs within Legal arising from recruitment difficulties that required the continued use of temporary specialist support throughout the year. Although there were salary savings from vacancies, these were not sufficient to offset the additional agency expenditure.

Further pressures also emerged within Human Resources, where agency staffing was required to maintain service delivery, and the section experienced unachievable vacancy savings, adding to the overall variance.

These combined staffing pressures outweighed the in-year mitigations available and contributed to the overall overspend position for the Chief Executive's Section.

Place Directorate

The Place Directorate delivered an underspend of £350k in 2024/2025. This positive position was primarily driven by higher-than-budgeted income from planning application fees of £376k and reduced consultancy expenditure relating to the Coalville regeneration programme £200k.

The underspends were offset by the Directorate incurring higher-than-budgeted agency staffing costs due to ongoing recruitment challenges, alongside increased repair and maintenance expenditure across the commercial property portfolio. These pressures were further compounded by reduced rental income resulting from vacant units.

Community Services Directorate

The Community Services Directorate reported an overspend of £178k in 2024/2025. This position reflects several adverse variances, including increased staffing, overtime and agency costs within Waste Services to cover sickness and vacancies of £333k, additional vehicle hire costs arising from delays in procuring new refuse vehicles of £104k, and higher-than-budgeted fleet maintenance costs of £126k. These pressures were partially offset by reduced fuel costs of £181k and recharges to the Housing Revenue Account for Cleansing and Fleet services were also lower than expected at £333k.

On Leisure Services, there was an underspend of £243k on the Sports and Leisure Management Ltd contract, primarily due to lower-than-anticipated utility costs being reclaimed.

Strategic Housing reported an underspend of £113k, driven by homelessness and asylum seeker grant income exceeding budget by £365k, partially offset by higher staffing and agency expenditure of £199k.

Resources Directorate

The Resources Directorate reported an underspend of £430k. While staffing and agency costs within Finance were £257k above budget (after the use of earmarked reserves), these pressures were more than offset by reduced salary costs within Business Change £570k and additional summons income generated by Revenues and Benefits £83k.

Corporate and Democratic Core

Corporate and Democratic Core reported an overspend of £78k, primarily due to increased audit fees.

Corporate Items and Financing

Investment income exceeded the budgeted level for the financial year. This favourable variance reflects higher than anticipated returns generated from excess cash balances, arising from slippage within the capital programme.

Funding

Business rates income exceeded expectations during the year, resulting in a higher-than-planned transfer to General Reserves.

3.0 CAPITAL OUTTURN

3.1 The table below details the outturn for the year on the Council's general fund capital programme.

Table 2 – 2024/25 General Fund Capital Programme Outturn

General Fund Capital Programme	Revised Budget	Final (Under) / over Outturn	(Slippage) spend	
	£ '000	£ '000	£ '000	£ '000
Schemes				
Coalville Regeneration Projects	2,298	1,462	(836)	(836)
UK Shared Prosperity Investment Plan Programme (UKSPF) & REPF	1,722	963	(759)	(758)
Carbon Zero	617	236	(381)	(352)
Systems/ICT Schemes	227	57	(170)	(155)
Vehicle, Plant and Equipment	7,950	633	(7,317)	(7,317)
New Construction or Renovation	4,466	924	(3,542)	(3,542)
Special Expenses	34	-	(34)	(34)
Contingency	170	-	(170)	(170)
General Fund Total Capital Programme	17,483	4,275	(13,208)	(13,165)

3.2 The revised General Fund capital budget for 2024/2025 was £17.5m, with a final outturn of £4.3m, representing 24% of the approved programme. This resulted in an underspend of £13.2m, of which most is proposed to be reprofiled into future years.

3.3 The primary factors contributing to the underspend and associated budget slippage are summarised:

- The Fleet Replacement Programme had an approved budget of £5.7m, with actual expenditure of £400k. A total of £5.3m has been reprofiled into future years due to delays in the procurement process.
- The Food Waste Rollout Programme slipped its full budget allocation of £1.2m into future years due to delays in the procurement process which are due to the long lead in times on vehicle purchases.
- The Disabled Facilities Grant programme had an approved budget of £3m, with actual expenditure of £0.6m. A total of £2.4m is proposed for reprofiling into future years. Delivery of the programme is demand-led, as grants are awarded to support essential adaptations that enable residents to maintain independence within their homes. The grant cannot be used to support investment in the Council's own properties.
- The UKSPF and Rural England Prosperity Fund programmes had an approved budget of £1.7m, with actual expenditure of £1m. As a result, £0.7m has been reprofiled into 2025/26. Two major schemes: the Memorial Workspace and Moira Furnace projects, were ongoing at the end of the financial year and were subsequently completed in 2025/2026, with the remaining funds fully utilised.
- Kegworth Public realms with a revised budget of £0.8m, with actual expenditure of £18k is proposing to slip £0.8m into future years. The slippage is due to retention

payable to the contractor, which will not be due until the defect-liability period is completed, resulting in expenditure being reprofiled into subsequent financial years.

- Coalville regeneration projects had a total budget of £2.3m. This scheme is made up of Marlborough Square improvement which had a budget of £1.6m, actual expenditure £1.m, Marlborough Centre purchase and renovation with a budget of £29k and actual expenditure of £28k and Stenson square garden project with a budget of £150k. Other smaller projects made up the balance of £200k. This scheme is proposing to slip £0.8m into future years.

4.0 RESERVES

- 4.1 The Council holds earmarked reserves which are set aside for known or predicted future spending needs. These are monitored alongside the budget as part of budget monitoring.
- 4.2 Earmarked reserves are requested at year-end by departments to carry forward unspent balances. Requests may relate to retaining existing reserves or creating new ones where an underspend aligns with the reserve's intended purpose. All requests are reviewed by the Finance Team before being submitted to the Section 151 Officer.
- 4.3 There has been a robust review of reserves with the aim of freeing up service earmarked reserves for transfer to the Medium-Term Financial Plan (MTFP) reserve. The MTFP reserve is to provide resources that support service improvement and enhance business efficiency but was also set up to smooth any budget fluctuations. This reserve enables the Council to implement the necessary transformation and changes required to meet its funding objectives over the period covered by the MTFP. By maintaining this reserve, the Council ensures it has the flexibility and financial capacity to manage future challenges, invest in key projects, and adapt to changing circumstances, ultimately supporting the delivery of its strategic priorities.
- 4.4 When utilised in accordance with their agreed timescales, reserves provide an effective mechanism for utilising surpluses and underspends to support the delivery of projects.
- 4.5 Table 4 below summarises the Council's reserve position. A detailed breakdown by service is provided in Appendix 1 and newly approved reserves are listed in Appendix 2.

Table 4: Usable Reserves as at 31 March 2025

Reserves	Balance at 1/4/2024 £m	In Year changes £m	No longer required £m	Balance at 31/03/2025 £m
<u>General Fund</u>				
General Fund Earmarked Reserves	5.35	13.71	(0.01)	19.06
General Fund General Reserves (agreed minimum balance)	1.54	0.00	0.00	1.54
Medium Term Financial Plan (MTFP) Reserve	8.27	(0.12)	0.01	8.16
	15.16	13.59	0.00	28.76
<u>Other</u>				
S106	2.51	(0.73)	0.00	1.78
	17.67	12.86	0.00	30.54

- 4.6 In 2024/25, £1.59m of the £5.35m General Fund earmarked reserves brought forward was utilised, as detailed in Appendix 1. (This excludes the Business Rates reserve, where additional in-year income was used to fund some of the capital programme).
- 4.7 In 2024/25, £16.47m of earmarked reserve requests were approved by the Section 151 Officer, of which £15.35m related to the business rates reserve. This is illustrated in appendix 2.
- 4.8 The MTFP reserve is maintained separately and now stands at £8.16m. This reflects transfers comprising of a £1m surplus from 2024/25, £100k released from earmarked reserves and £1.1m approved for transfer to earmarked reserves. This reserve provides funding for service improvements and business efficiency initiatives that will support the Council in delivering the transformation required to meet the financial challenges set out in the Medium-Term Financial Plan.

5.0 SPECIAL EXPENSES

- 5.1 The outturn for Special Expenses is £590k, representing an overspend of £32k against the approved budget of £558k. The budgeted contribution to Special Expenses reserves was £39k; however, the final outturn delivered a reduced contribution of £7k.
- 5.2 The overspend was primarily driven by increased expenditure on parks and recreation grounds repairs and maintenance of £12k, backdated unmetered electricity costs for Christmas lights £13k, and lower-than-budgeted burial fee income £13k. These pressures were partly mitigated by reduced electricity costs across parks and recreation grounds (£5k). Further details are provided in Table 5.

Table 5: Special Expenses Revenue Outturn

	Approved Budget	Outturn	Variance
	£'000	£'000	£'000
SPECIAL EXPENSES			
Special Expenses	576	538	(38)
Net Financing Costs	(18)	(33)	(15)
Contribution to Earmarked Reserves	0	85	85
Expenditure Requirement	558	590	32
Precept	597	597	0
Transfer from/(to) reserves	(39)	(7)	32

- 5.3 As shown in Table 6, the Special Expenses Reserve opened at £45k and increased by £32k from earmarked reserves released back to balances, along with a further £7k contribution from the 2024/25 outturn. The reserve now stands at £84k.

Table 6: Special Expenses Reserves

	Outturn
	£'000
SPECIAL EXPENSES	
Special Expenses Reserves 01.04.24	45
Earmarked Reserves - returned to balances	32
Contribution to Reserves 2024/25	7
Special Expenses Reserves 31.03.25	84

- 5.4 During 2024/25, Special Expenses contributed £7k to reserves. Significant work in previous years has strengthened financial sustainability across the Special Expenses accounts to ensure compliance with the requirement to maintain minimum balances of 10% for each area. As at 31 March 2025, two accounts were in deficit, while the remaining four held balances above the minimum threshold. For those Special Expense accounts in deficit, precepts will be increased through the annual budget process to recover the shortfall.

Policies and other considerations, as appropriate	
Council Priorities:	A well-run council
Policy Considerations:	Council Delivery Plan Treasury Management Strategy Capital Strategy
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:	In relation to this report, potential risks include the possibility of budgetary allocations not achieving the intended outcomes, unforeseen financial pressures impacting service delivery, and compliance risks associated with the implementation of approved investment decisions. Additionally, there may be reputational risks if the measures outlined in the report are not effectively communicated or executed. The Council will continue to monitor these risks and put appropriate mitigation strategies in place as part of its ongoing risk management and corporate governance processes.
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