

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 24 FEBRUARY 2026



Title of Report	2023/24 FINANCIAL OUTTURN - GENERAL FUND	
Presented by	Councillor Keith Merrie Finance and Corporate Portfolio Holder PH Briefed <input type="checkbox"/> Yes	
Background Papers	Cabinet – 26/03/2024 2023/24 Quarter 3 General Fund Finance Update	Public Report: Yes
	Published draft accounts Statement of Accounts 2023-24 (28Aug25).pdf	Key Decision: No
Financial Implications	The final outturn position on the General Fund is an underspend of £340k which is an improvement from that which was forecast at Quarter 3 of an £333k 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 updated overview of the Council's General Fund financial outturn for 2023/24.	
Reason for Decision	As required under Financial Procedure Rule A19.	
Recommendations	THAT CABINET: <ol style="list-style-type: none"> 1. NOTES THE UNDERSPEND OF £340K IN RESPECT OF THE GENERAL FUND. 2. NOTES THE UNDERSPEND IN THE CAPITAL PROGRAMME OF £3 MILLION. 	

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 2023/24 were published on the Council's website in August 2025. This report presents the final outturn position for the General Fund 2023/24. The General fund reported a surplus of £340k 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 updated and final outturn position for the General Fund is set out in **Appendix 1** and summarised in **Table 1** below. The final position shows an underspend of £340k for the financial year. Further detail on the significant variances contributing to this position is provided in Section 2.2 of this report.

Table 1 General Fund Revenue Outturn 2023-24

Directorate & Service Area	Revised Budget	Outturn	Outturn Variance
	£'000	£'000	£'000
Chief Executive Directorate	2,754	2,715	(39)
Place Directorate	2,569	3,416	847
Community Services Directorate	8,297	8,840	543
Resources Directorate	3,524	3,703	179
Corporate & Democratic Core (CDC) & Other Budgets	245	360	115
NET COST OF SERVICES	17,389	19,035	1,646
Net Recharges from General Fund	(1,694)	(1,954)	(260)
NET COST OF SERVICES AFTER RECHARGES	15,695	17,081	1,386
Corporate Items & Financing	1,444	(305)	(1,749)
NET REVENUE EXPENDITURE	17,139	16,776	(363)
Contribution Reserves - Business Rates	(52)	8,412	8,464
NET EXPENDITURE (AFTER RESERVE CONTRIBUTIONS)	17,087	25,187	8,100
TOTAL FUNDING AVAILABLE	(17,087)	(25,527)	(8,440)
UNDERSPEND / (OVERSPEND) 2023/2024	0	340	340

- 2.2 The significant variances comparing the revised budget to outturn:

Place Directorate – Financial Performance

The Place Directorate has reported an overspend of £847k for the financial year. This position is primarily driven by higher-than-budgeted repair and maintenance costs across the commercial property portfolio, alongside reduced rental income arising from vacant units.

In addition, the Directorate experienced elevated agency staffing costs due to ongoing recruitment challenges. Income from planning application fees was also lower than anticipated, further contributing to the overall overspend.

Community Services Directorate– Financial Performance

The Community Services Directorate reported an overspend of £543k for the financial year. This position reflects several adverse variances across the Directorate, notably in staffing budgets, where increased salary, overtime, and agency costs were incurred to maintain service delivery during periods of sickness and vacancies.

Waste Services reported significant pressures, including an overspend of £264k on vehicle hire arising from delays in the procurement of new refuse vehicles. In addition, recharges to the Housing Revenue Account (HRA) for Cleansing and Fleet services were £310k lower than budgeted. These pressures were partly mitigated by a favourable variance of £121k due to higher recycling income.

Within Leisure Services, the Sports and Leisure Management Ltd contract recorded an overspend of £139k, driven primarily by increased utility costs and reclaimed business rates.

Strategic Housing reported a net underspend of £443k, largely due to the receipt of £632k in additional grant funding. This favourable position was partially offset by higher staffing costs, including additional salary and agency expenditure totalling £163k.

Resources Directorate– Financial Performance

The Resources Directorate is reporting an overspend of £179k for the financial year. This position is largely driven by salary pressures totalling £261k, arising above the budgeted pay award and not covered by earmarked reserves. These additional costs were partially mitigated by reduced expenditure and increased summons income within Revenues and Benefits, generating a combined favourable variance of £216k.

An additional pressure of £172k arose within Procurement, relating to consultancy support.

Corporate and Democratic Core– Financial Performance

The Corporate and Democratic Core is reporting an overspend of £115k for the financial year. This pressure arises primarily from non-distributed costs associated with surplus assets.

Corporate Items and Financing Costs

Investment Income

Investment income exceeded the budgeted level for the financial year. This favourable variance of £1.4m reflects higher than anticipated returns generated from excess cash balances, arising from slippage within the capital programme, the temporary retention of grant balances pending repayment to Central Government, and stronger performance across several income generating streams. This additional investment income was used to offset against the above adverse variances and enabled a surplus outturn for 2023/24.

Financing Costs

Financing costs were lower than budgeted. During the year, £5m was used to repay two loans, reducing the Council's overall borrowing requirement and consequently lowering associated financing costs.

Funding

Business Rates income received during the year was higher than budgeted. As a result, additional funds were transferred to General Reserves, strengthening the Council's overall financial position.

A significant proportion of this increase, £5.2m, was subsequently applied to support the 2023/24 capital programme.

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 – 2023/24 General Fund Capital Programme Outturn

Schemes	Revised Budget	Outturn	Variance	(Slippage)/ Accelerated Spend
	£'000	£'000	£'000	£'000
Coalville Regeneration Projects	3,678	3,444	-234	-234
UK Shared Prosperity Fund Investment Plan Programme (UKSPF)	356	188	-168	-168
Carbon Zero	208	202	-6	-6
Systems/ICT Schemes	208	164	-44	-44
Vehicle, Plant and Equipment	3,898	2,112	-1,786	-1,786
New Construction or Renovation	2,558	1,785	-773	-773
Total	10,906	7,895	-3,011	-3,011

3.2 General Fund capital expenditure for the year amounted to £7.9m, compared with a revised budget of £10.9m, representing 72.4% of the approved programme. The Coalville Regeneration Project accounted for the highest level of expenditure during the year. Significant spend was incurred on the Marlborough Square Development, associated accommodation projects, and the purchase and renovation of the Marlborough Centre.

3.3 Schemes with significant expenditure during the year included:

The Accommodation Programme covering the refurbishment and modernisation of the Council's office portfolio — including Whitwick Business Centre, Stenson House, and the new Customer Centre — recorded expenditure of £1.8m in 2023/24. The project was completed within the financial year.

Marlborough Square Improvement - expenditure of £1.6m was incurred on the Marlborough Square Improvement scheme in 2023/24. This forms a major element of the Council's regeneration programme. Current forecasts indicate that the project is likely to overspend at completion.

Fleet Replacement Programme covering refuse collection vehicles, planning fleet, and on/off-street enforcement vehicles, recorded expenditure of £1.7m during the year.

New Leisure Centre - expenditure of £1m was incurred on the new Coalville Leisure Centre, which is now fully completed.

Kegworth Project - a further £0.7m was spent on the Kegworth public realm scheme during the year.

3.4 The capital programme experienced several significant variances during the financial year, with the majority of underspends being requested for carry forward into future years. Extensive budget review sessions have been undertaken with service departments to ensure that all carried forward budgets are robustly profiled and allocated to the appropriate future financial years. Table 2 (above) presents the revised profiling of the budgets carried forward within the General Fund capital programme.

3.5 Schemes with significant carried-forward budgets include:

- **Fleet replacement programme:** Long lead times for vehicle procurement, coupled with ongoing challenges in sourcing suitable low emission and environmentally compliant vehicles, resulted in expenditure falling short of the approved budget for the year. As a consequence, £1.7m of the allocated budget has been carried forward into 2024/25 to enable the completion of the programme.
- **Marlborough Square improvements:** Section 278 approval under the Highways Act 1980, required from the County Council for the scheme to progress, was delayed during 2022/23. As a result, the scheme was reprofiled into 2023/24. Due to the continued delay, £0.4m of the approved budget has now been carried forward into 2024/25 to enable delivery of the scheme once the necessary approvals are in place.
- **Kegworth Project:** The project experienced a slow start during the financial year, resulting in £0.6m of the approved budget being carried forward into 2024/25 to support continued delivery of the scheme.

4.0 RESERVES

4.1 The Council holds several earmarked reserves that are set aside for specific purposes to meet known or anticipated future expenditure commitments. These reserves are monitored alongside the wider budget as part of the Council's monthly financial monitoring arrangements.

4.2 As part of the year-end closedown process, services submit requests for the use or establishment of earmarked reserves. These requests may relate either to the carry forward of unspent reserves from previous years or the creation of new reserves funded from in year underspends, where the underspend aligns with the intended purpose of the proposed reserve. All reserve requests are subject to review and validation by the Finance Team to ensure accuracy, appropriateness, and compliance with accounting requirements. Following this review, the proposed reserves are presented to the Section 151 Officer for approval.

- 4.3 A comprehensive review of earmarked reserves has been undertaken with the objective of releasing appropriate service-based reserves for transfer to the Medium Term Financial Plan (MTFP) Reserve. The purpose of this approach is to strengthen the Council's financial resilience by creating a dedicated funding source to support service improvement, business efficiency initiatives, and wider organisational transformation required to meet the financial challenges identified within the MTFP.
- 4.4 Provided that reserves are utilised within the timescales agreed at the point of approval, they represent an effective mechanism for deploying in year surpluses and underspends. This approach supports the timely delivery of projects and ensures that financial resources are aligned to agreed priorities and outcomes.
- 4.5 Table 4 below provides a summary of the Council's current reserves position. Full details of reserves by service area are set out in Appendix 2, and a schedule of newly approved reserves is provided in Appendix 3.

Table 4: Usable Reserves as at 31st March 2024

Reserves	Balance at 1/4/2023 £m	In Year changes £m	No longer required £m	Balance at 31/03/2024 £m
<u>General Fund</u>				
General Fund Earmarked Reserves	5.76	(0.40)	(0.01)	5.35
General Fund General Reserves (agreed minimum balance)	1.54	0.00	0.00	1.54
Medium Term Financial Plan (MTFP) Reserve	6.39	1.87	0.01	8.27
	13.69	1.47	0.00	15.16
<u>Other</u>				
S106	2.29	0.22		2.51
	15.98	1.69	0.00	17.67

- 4.6 In 2023/24, £2.6 million of the £5.8m General Fund earmarked reserves brought forward has been utilised, as shown in Appendix 2. It should be noted that these figures exclude the Business Rates Reserve, where additional income received during the year has been used to fund much of the capital programme.
- 4.7 For 2023/24, £8.9m of earmarked reserve requests has been approved by the Section 151 Officer as set out in Appendix 3. Of this total, £8.4m relates specifically to the Business Rates Reserve.
- 4.8 The MTFP Reserve is maintained separately and now stands at £8.3m. This balance incorporates the following movements: a £300k surplus from 2023/24, £100k transferred from the release of earmarked reserves, and £100k 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 MTFP.

5.0 SPECIAL EXPENSES

- 5.1 The outturn for Special Expenses in 2023/24 is £609k, representing an overspend of £18k against the approved budget of £591k. The budget included a planned £11k contribution from Special Expense reserves; however, the outturn position requires a reduced contribution of £7k from reserves.
- 5.2 The overspend was primarily driven by reduced income, including a shortfall in burial fees (£20k) and other fees and charges (£6k), alongside increased expenditure on legal fees (£7k) and consultancy (£4k). These pressures were partly offset by lower than budgeted spending on Planned Preventative Maintenance (PPM) (£8k), events (£8k) and electricity (£6k). Further detail is provided in **Table 5** below.

Table 5: Special Expenses Revenue Outturn

	Approved Budget	Outturn	Variance
	£'000	£'000	£'000
SPECIAL EXPENSES			
Special Expenses	609	629	20
Net Financing Costs	(18)	(30)	(12)
Contribution to Earmarked Reserves	0	10	10
Expenditure Requirement	591	609	18
Precept	586	586	0
Localisation of Council Tax Support Grant	16	16	0
Transfer from/(to) reserves	(11)	7	18

- 5.3 As shown in Table 6, the opening balance on the Special Expenses Reserve was £36k. This increased by £16k due to the release of earmarked reserves back to balances. After allowing for the £7k required to fund the 2023/24 deficit, the reserve now stands at £45k.

Table 6: Special Expenses Reserves

	Outturn
	£'000
SPECIAL EXPENSES	
Special Expenses Reserves 01.04.23	36
Earmarked Reserves - returned to balances	16
Contribution from Reserves 2023/24	(7)
Special Expenses Reserves 31.03.24	45

- 6.1 During 2023/24, Special Expenses required a drawdown of £7k from reserves. Significant work was undertaken as part of the 2023/24 budget process to ensure that Special Expenses operate within their approved budgets and remain financially sustainable. Further work during the year included a review of the Special Expenses Policy, which confirmed the requirement to maintain a minimum balance of 10% for each of the ten Special Expense areas.
- 6.2 As at 31 March 2024, two of the Special Expense accounts were in a deficit position, two were below the minimum required balance, and the remaining six accounts held balances above the minimum requirement. 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:	Insert relevant Council Priorities: <ul style="list-style-type: none"> - Planning and regeneration - Communities and housing - Clean, green and Zero Carbon - A well-run council
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:	None
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