



<b>Report To:</b>	Cabinet
<b>Date:</b>	12 <sup>th</sup> December 2024
<b>Subject:</b>	2024/25 Quarter Two Finance update
<b>Purpose:</b>	To present the Quarter Two Finance Position
<b>Key Decision:</b>	No
<b>Portfolio Holder:</b>	Councillor Ghosh – Portfolio Holder for Finance
<b>Report Of:</b>	Christine Marshall – Deputy Chief Executive Corporate S151
<b>Report Author:</b>	Jenny Mackin (Strategic Finance Manager, PSPS), Carl Holland (Head of Finance – Client, PSPS)
<b>Ward(s) Affected:</b>	None
<b>Exempt Report:</b>	No

### **Summary**

This report sets out a summary of the current financial position for the Council at the end of the second quarter of 2024/25 forecasting to the year end for members consideration.

### **Recommendations**

That Cabinet notes the forecast revenue position of a £202k underspend for 2024/25 as detailed in Table 1 and the need for continued focus on the savings and efficiency programme.

### **Reasons for Recommendations**

To ensure the Council's forecast financial position for 2024/25 is considered and related decisions approved. It is important that the Cabinet are aware of the financial position of the General Fund to ensure that they can make informed decisions that are affordable and financially sustainable for the Council.

## Other Options Considered

To not approve the outlined position.

### 1. Background

1.1 Throughout the year quarterly monitoring reports are completed forecasting the expected year end outturn compared to the approved budget. This report provides information on the forecast full year financial performance as at 30 September 2024 and as detailed in the attached Appendix 1, for the following areas:

- The General Fund Revenue Budget,
- The General Fund Reserves Position,
- The Capital Programme for 2024/25, and
- The Treasury Management Performance for the year.

### General Fund Forecast Outturn

1.2 Quarter 2 data provides a view on which to base the full year forecast. The full year outturn based on current projections and assumptions is a forecast net service underspend for the General Fund of £202k by the year end.

1.3 The major variances relate to decreased planning, cremation and other income and increased investment income.

The forecast position by Assistant Director and Corporate Areas is detailed at **Table 1** together with an analysis of variations.

### Savings Target

1.4 An efficiency target of £846k is included in the 2024/25 General Fund Budget. Saving opportunities are being monitored throughout the year, this information is detailed in Appendix 1 – Table 2. The General Fund forecast outturn position assumes 100% of the efficiency target is achieved. As at 30<sup>th</sup> September 2024, 78% of the of the efficiencies have been identified, this position reflects the recent IDB funding announcement and savings/income identified as part of the Q2 monitoring process.

In order to balance the budget remaining efficiencies to be found total £190k. As previously reported the Leader, Finance Portfolio Holder and Senior Leadership Team regularly review progress against the current plans for achieving the requirement.

### IDB's

1.5 The financial pressure generated by the Internal Drainage Boards has been supported by the Government for 2024/25 to the sum of £431k as previously noted. A further meeting is scheduled with the Local Government Minister which affords an opportunity to press for a longer term funding solution and for further financial support as this only partially reflects the pressure that the Council has seen over the past few years and looking forwards.

## **Reserves**

- 1.6 General Fund Specific Reserves are forecasting a planned decrease of £3.417m from £16.001m. Further specific details are set out in **Appendix 1 – Table 4a** with associated narrative.

The General Fund Reserve Balance remains at £2m.

## **Capital – General Fund**

- 1.7 The Capital Programme for 2024/25 is £52.724m. Actual capital expenditure for Q2 2024/25 is £5.387m.

## **2. Treasury Management**

- 2.1 **Section 2.4** provides details of the Council's Treasury Investments. The Council's 2024/25 budget for investment income is £1.587m. At the end of September 2024 investment income is estimated to be approximately £1.11m. The current forecast outturn for 2024-25 is estimated to be approximately £1.945m which is £359k above the budget.

## **3. Conclusion**

- 3.1 To ensure that the Quarter two position is scrutinised and the forecast outturn reviewed.

## **Implications**

### **South and East Lincolnshire Councils Partnership**

None

### **Corporate Priorities**

None

### **Staffing**

None

### **Workforce Capacity Implications**

None

### **Constitutional and Legal Implications**

None

### **Data Protection**

None



## **Chronological History of this Report**

A report on this item has not been previously considered by a Council body.

## **Report Approval**

Report author: Jenny Mackin, Strategic Finance Manager, PSPS  
[jennifer.mackin@pspsl.co.uk](mailto:jennifer.mackin@pspsl.co.uk)  
Carl Holland, Head of Finance (Client), PSPS  
[carl.holland@pspsl.co.uk](mailto:carl.holland@pspsl.co.uk)

Signed off by: Christine Marshall, Deputy Chief Executive (Corporate Development) and S151  
[christine.marshall@sholland.gov.uk](mailto:christine.marshall@sholland.gov.uk)

Approved for publication: Councillor Sandeep Ghosh, Portfolio Holder for Finance  
[sandeep.ghosh@boston.gov.uk](mailto:sandeep.ghosh@boston.gov.uk)