



Report To:	Cabinet
Date:	26 th March 2025
Subject:	2024/25 Quarter Three Finance update
Purpose:	To present the Quarter Three Finance Position
Key Decision:	No
Portfolio Holder:	Councillor Ghosh, Portfolio Holder for Finance
Report Of:	Rob Barlow, Chief Executive (Acting S151)
Report Author:	Carl Holland (Head of Finance – Client, PSPS)
Ward(s) Affected:	N/A
Exempt Report:	No

Summary

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

Recommendations

It is recommended:

1. That Cabinet notes the forecast revenue position of a £627k underspend for 2024/25 as detailed in Table 1 and the need for continued focus on the savings and efficiency programme; and
2. That Cabinet recommends to Full Council to amend the Capital Programme at Appendix A – Table 4b to take into account the changes set out in this report.

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 31 December 2024 and as detailed in the attached Appendix A, 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 3 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 (£627k) 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 A – Table 2. The General Fund forecast outturn position assumes 100% of the efficiency target is achieved. As at 31 December 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 Q3 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. Further meetings have taken place with the Local Government Minister which affords an opportunity to press for a longer-term funding solution and for further financial support. Funding awards to date have only partially reflected the pressure that the Council has seen over the past few years and looking forwards. The amount of funding awarded for 2025/26 has not been confirmed at the time of reporting.

Reserves

- 1.6 General Fund Specific Reserves are forecasting a planned decrease of £3.506m from £16.001m. Further specific details are set out in **Appendix A – 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 forecast to be £20.052m. Actual capital expenditure for the year to Q3 - 31 December 2024 is £9.075m.

2. Treasury Management

- 2.1 Appendix 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 December 2024 investment income is estimated to be approximately £1.698m. The current forecast outturn for 2024-25 is estimated to be approximately £2.289m which is £703k above the budget.

3. Conclusion

To ensure that the Quarter three 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

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