Report To:	Cabinet
Date:	9th July 2025
Subject:	2024/25 Q4 Finance update
Purpose:	To present the 2024/25 Outturn Finance Position
Key Decision:	No
Portfolio Holder:	Councillor Sandeep Ghosh, Portfolio Holder for Financial Management & IT
Report Of:	Brendan Arnold, Interim Director of Finance (S151 Officer)
Report Author:	Lazaros Mafuko, Interim Finance Manager, PSPSL
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 fourth quarter of 2024/25 for members consideration.

Recommendations

It is recommended:

1) That Cabinet notes the final revenue position of a £1,015,000 underspend for 2024/25 as detailed in Table 1;

2) That Cabinet recommend to Full Council to approve the transfer of the £1,015,000 surplus to Volatility Reserve;

3) That Cabinet notes the final BTAC revenue position of £86,000 and the transfer of the surplus to BTAC Reserve; and

4) That Cabinet recommends to Full Council the capital slippage from 2024/25 to 2025/26 presented in Table 5c.

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 full year financial performance as at 31 March 2025 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 4 data now underpin our full-year outturn, which shows a General Fund revenue outturn surplus of £1,015,000 as at 31 March 2025. This represents a significant improvement from the Q3 forecast surplus of £627,000—a positive movement of £389,000. This improved performance mainly reflects disciplined expenditure controls and an overperformance in investment income. Specifically, the service directorates achieved a net underspend of approximately £746k by reducing IT, staffing, and operational expenses; however, this was partially offset by overspends in Governance & Monitoring and General Fund Assets due to higher Members' allowances and increased repairs and maintenance costs.

1.3 On the investment front, while the initial net budget was set at £1.587m, this was exceeded this by £711,000. After accounting for a transfer of £53,000 from S106 interest to the balance sheet, the net favourable variance stands at £658,000. In the realm of services revenues, mixed performance was noted—planning fee and cremation incomes underperformed by £91,000 and £92,000 respectively, though these shortfalls were partly mitigated by a £56,000 increase in car parking income. Collectively, these variances highlight robust financial management and the flexibility in approach, allowing reallocation of resources toward strategic initiatives.

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

Savings Target

1.5 An efficiency target of £846,000 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 March 2025, 78% of the of the efficiencies had been identified, this position reflects the recent IDB funding announcement and savings/income identified as part of the Q4 monitoring process.

1.6 Although no additional efficiency measures were recorded after Q3, underspends within services have contributed to the Council's surplus. Continued efforts are under review to achieve further efficiency gains.

IDB's

1.7 The financial pressure generated by the Internal Drainage Boards has been supported by the Government for 2024/25 to the sum of £431,000 as previously reported, this has been booked as part of the efficiencies achieved. 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

1.8 General Fund and Specific Reserves full year position increased by £3.343m to £19.345m. 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

1.9 The Capital Programme for 2024/25 has been updated to reflect a full-year budget of £20.814m. Actual capital expenditure for the year to Q4 - 31 March 2025 is £15.070m. Detailed narratives and supporting data are provided in Appendix A.

2. Treasury Management

2.1 Appendix A - Section 2.4 provides details of the Council's Treasury Investments. As at 31 March 2025, the Council held cash investments valued at £34.832m and property fund investments of £15.237m. For 2024/25, the original budget for investment income was set at £1.587m; however, actual performance exceeded budget by £711,000. After accounting for a £53k reallocation from S106 interest, this delivers a net positive variance of £658,000.

2.2 Meanwhile, borrowing costs remained controlled and adhered to the budget, with an outturn of £111,000. Collectively, these achievements reflect a significantly improved funding profile for the Council.

3. Conclusion

3.1 To ensure that the Quarter 4 position is scrutinised, and the outturn reviewed. The updated Quarter 4 figures elevate the Council's recorded performance, with the General Fund now in a surplus position of £1,015,000 (up from a Q3 forecast surplus of £627,000). This improvement is rooted in the successful achievement of a significant proportion of the efficiency target (78%), enhanced investment income, and proactive management of cost pressures. Continued scrutiny and further tightening of corporate efficiencies will be essential to sustain this performance in future fiscal periods.

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

Financial

As contained in this report and Appendix.

Risk Management

None

Stakeholder / Consultation / Timescales

None

Reputation

None

Contracts

None

Crime and Disorder

None

Equality and Diversity / Human Rights / Safeguarding

None

Health and Wellbeing

None

Climate Change and Environmental Implications

None

Acronyms

None

Appendices

Appendices are listed below and attached to the back of the report:

Appendix A	Q4 Finance Report 2024/25

Background Paper

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

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

Report Approval

Report author:	Lazaros Mafuko, Interim Finance Manager, PSPSL lazaros.mafuko@pspsl.co.uk
Signed off by:	Brendan Arnold, Interim Director of Finance (S151 Officer) brendan.arnold@sholland.gov.uk
Approved for publication:	Councillor Sandeep Ghosh, Portfolio Holder for Financial Management & IT sandeep.ghosh@boston.gov.uk