Boston Borough Council – Q4 Outturn Finance Report for 2024/25

Finance Summary

- The revenue outturn is a surplus position of £1,015,000 at year end (a movement from the forecast surplus of £627,000 in Q3, an improvement of £388,000)
- Specific and general reserves for the Council are £19,345,000 as at 31 March 2025.
- At quarter 4, Capital spend was £15,070,000 against a full year budget of £20,814,000.
- The budgets for 2024/25 included an efficiency target of £846,000, and we have achieved £656,000 against that target in Q4 (78%).
- The Council held cash investments of £34,832,000 and property fund investments of £15,237,000 based on fair value as at 31 March 2025.
- Investment income overachieved by £711,000 against the budget of £1,587,000 for the full financial year. Of this £53,000 relates to interest due on S106 funds and this has been transferred to the balance sheet leaving an overall favourable variance of £658,000.
- The outturn for borrowing costs was on budget at £111,000 as at 31 March 2025.

Section 2 – Finance

Section 2.1	Key Financial Issues in Quarter 4 of 2024/25
Section 2.2	Revenue Budget
Section 2.3	Capital Budget
Section 2.4	Treasury Update
Section 2.5	Insurance
Section 2.6	Debt Collection
Section 2.7	Business Rates and Council Tax Collection

Section 2.1 – Key Financial Issues in Quarter 4 of 2024/25

- The 2024/25 budget included an efficiency target of £846,000. As of 31 March 2025, £714,000 (84%) savings were identified.
- The Government announced it would provide £3,000,000 of further funding to support Councils significantly impacted by Internal Drainage Board levies. Boston has been awarded £431,000 for 2024/25 which has been included within the final position.
- The higher levels of investment income compared to the original budget is due to increased balances available and higher interest rates on investments.
- Planning Fee income reduced compared to budget for 2024/25 by £91,000.
- Cremation income reduced compared to budget for 2024/25 by £92,000 however this was offset by over performance of other fees and charges.
- The Car Parking Income has increased (£56,000).
- The council continues to see increases in Building maintenance costs (a similar picture in 2023/24 with overspends reported of £178k at Q4) this is due to increased cost of materials and repairs. Significant spends in year at Municipal Buildings £146k, Riverside Industrial estate £30k and Haven Resource Centre £20k.

Inflation	January (%)	February (%)	March (%)
CPI	3.0	2.8	2.6
RPI	3.6	3.4	3.2

Section 2.2 – Revenue Budget

Table 1 outlines the service outturn for 2024/25, showing an underspend of £746,000 compared to the budget. Throughout the year, the service directorates collectively recorded this net underspend, primarily due to disciplined cost control. Savings were achieved through reduced IT, staffing, and operational expenses, as well as deferred projects. However, the Governance and Monitoring and General Fund Assets directorates experienced overspends due to increased Members' allowances and higher repairs and maintenance costs.

This fiscal discipline highlights robust financial management, further bolstered by an excess income of £658,000 from investment returns. Despite this, the overall net position was partially offset by the underachievement of corporate efficiencies, resulting in a final net position of £1,015,000. This summary is based on the Quarter 4 final outturn as of 31 March 2025.

Assistant Director Area	Revised Budget 2024/25 at Q4 £'000	Outturn 2024/25 at Q4 £'000	Variance (underspend)/ overspend at Q4 £'000	Comments on main variances at Q4
Corporate	1,940	1,856	(84)	This is primarily attributed to the significant £100k saving on computer costs and software licenses, along with other minor variances.
Economic Growth	250	192	(58)	With an underspend of £58k Economic Growth's figures reflect a vacancy for an inward investment officer. The unfilled role has led to lower-than-anticipated personnel expenditure.
Finance	3,257	3,193	(64)	An underspend of £64k in Finance is driven by a revision of the rent allowance provision courtesy of an error charge previously related to the HB subsidy. This correction aligns actual expenses with the budget.
Governance and Monitoring	829	934	105	The overspend is primarily explained by a rise of £112k in Members' allowances along with additional minor variances.
General Fund Assets	(876)	(666)	210	This is predominantly due to a notable increase of £222k in repairs and maintenance expenditures, which is partially mitigated by an additional income £16k spent on parking and other minor variances.
Leisure and Culture	1,209	811	(398)	Leisure and Culture achieved a substantial underspend of £398k, because of significant savings across multiple areas. Key factors included a £272k saving from a delayed works programme at the leisure pool, a £40k underspend on events staffing, a £30k underspend on markets staffing, a £12k underspend on shared management and (£21k) underspend on Museum Service. There are other minor variances. These variances indicate that several projects and contractual agreements were postponed and negotiated to lower costs, reflecting a

				strong emphasis on cost control and operational efficiency during this period.
Neighbourhoods	2,267	2,116	(151)	The Neighbourhoods Directorate achieved an underspend of £153k attributed to various variances. These include £47k from a new vehicle washing contract, £70k from fuel savings, and £33k from a street cleansing vacancy.
Planning and Strategic Infrastructure	185	176	(9)	This directorate reported a modest underspend of £9k. Planning income fell short of the budget by £91k. However, this shortfall was offset by a staffing underspend of £64k along with other minor variances.
Regulatory	649	547	(102)	The Regulatory Directorate achieved an underspend of £102k, attributed to various streamlined cost areas. This includes Building Control income (£60k), Emergency Planning vacancy pending service review (£15k), (£24k) Land charge staffing underspends. Additionally, there were other minor savings contributing to this overall underspend.
Wellbeing and Community Leadership	1,756	1,561	(195)	An underspend of £195k was achieved through several minor efficiencies. These include a £58k saving on CCTV vacancies, a £10k underspend from the CCTV volunteers' budget, a £27k underspend noted in Bed & Breakfast spending, and a £24k underspend on Affordable Homes staffing. Additionally, other minor variances contributed to this overall underspend.
BTAC	769	769*	-	In line with budget*
Sub Total – Assistant Director – net costs	**12,235**	**11,489**	**(746)**	
Internal Drainage Boards/Parish Precepts	2,973	2,967	(6)	This is broadly in line with budget.
MRP	129	154	25	Mainly due to £18k additional MRP due to reduction in fair value of the M&G Property Fund investment. £7k resulted from a higher outturn for unfinanced capital expenditure than when the budget was set.
Interest Payments Received / Return on Property Funds	(1,587)	(2,245)	(658)	Due to higher than anticipated cash balances (due to slippage of capital programme and additional grant) and better rates than expected.
Borrowing Costs	111	111	-	In line with budget
Borrowing Discount Allocated to Revenue	(642)	(642)	-	In line with budget
DRF	2,619	195	(2,424)	This mainly due to slippage of capital programme.

Reserves	(2,619)	(195)	2,424	This mainly due to slippage of capital programme.
Efficiencies Required	(190)	(58)	132	Unrealised efficiency savings
Salary Efficiencies	(367)	-	367	Unrealised efficiency savings
Corporate Impairment Allowance	100	-	(100)	Sundry debt corporate impairment allowance not required in 2024/25
Non-Service Expenditure	**527**	**287**	**(240)**	
Total Expenditure	**12,762**	**11,776**	**(986)**	
Council Tax	(5,682)	(5,682)	-	
Business Rates	(5,598)	(5,612)	(14)	Renewable energy gain
Non-Ring-Fenced Government Grant	(1,482)	(1,497)	(15)	
Total Funding	**(12,762)**	**(12,791)**	**(29)**	
Total Budget – (Surplus)/Deficit	**-**	**(1,015)**	**(1,015)**	

* In 2024.25 BTAC realised a surplus of £86,000 which has been transferred to the BTAC reserve.

The 2024/25 budget included an efficiency target of £846k, below are efficiencies achieved at Q4:

Table 2 – Efficiency Description	Amount £'000	Comments
Regulatory – Climate Change	(29)	Funding of service from grant
Regulatory – Environmental Protection	(60)	Environmental Protection vacant posts
Governance – Legal Services	(3)	Merging of Legal subscriptions
Operations – Vehicle Holding Account	(30)	Estimated saving of the fuel budget due to reduced fuel costs
Leisure & Culture	(35)	Additional income whilst Parkwood continue to generate income from 2 pools due to delayed building works
Wellbeing & Community Leadership - CCTV	(20)	CCTV enhanced and overtime budget
ICT	(9)	Efficiency savings identified as part of Q1 monitoring
Housing Standards	(16)	Efficiency savings identified as part of Q1 monitoring
IDB	(431)	Further funding received
Credit Control	(11)	Efficiency savings identified as part of Q2 monitoring
Hackney Carriage Licences Additional Income	(12)	Efficiency savings identified as part of Q2 monitoring
Total efficiencies found	(656)	
% Achieved	78%	
Target	**(846)**	
Efficiencies to be identified	**(190)**	

78% of the efficiencies had been identified as at 31 March, reflecting the recent IDB funding announcement and savings/income identified as part of the Q4 monitoring process. The underspends within the services have contributed to the Council's surplus and further work is underway to look at and consider opportunities for efficiencies. Weare engaging with Service Managers to take this process forward.

Based upon 2024/25 budget assumptions the value of efficiency savings required to set a balanced budget for the next five (Updated for the 2025/26 MTFS) years are as follows:

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Annual Savings Requirement (£'000)	172	510	1,921	2,337	2,775	2,678
IDB Funding Requirement (£'000)	674	913	1,059	1.213	1,375	1,544

Income The Council has a number of demand-led budget areas which are reliant on income for services provided.

Table 3 – Trading Income Budgets				
Income Area	**Revised Budget to 31 March 2025 £'000**	**Income to 31 March 2025 £'000**	**Variance (above)/ below budget £'000**	**Comments**
GF – Car Parking, Bereavement, and Property, Office Cleaning	(1,906)	(1,943)	(37)	Fees and charges general were £7k below budget mainly due to loss of cremation income, due to an increase in direct cremations than standard, therefore less money. Car parking permits had a reduction in income of £12k. This loss of income was mitigated by car parking charges & PCN income which was above budget by £56k.
Leisure Pool, and Markets	(198)	(188)	10	Loss of income of £4k due to switch off of Biomass Loss of income of £6k due to work on Solar Fits
Neighbourhoods – Office Cleaning, Recycling	(1,102)	(1,062)	40	Income from office cleaning underperformed by £61k but this was partially offset by recycling income above budget by £21k
Development Management	(638)	(547)	91	Mainly due to reduced Planning fees
Regulatory – Land Charges, Licences	(435)	(438)	(3)	Minor variances.
Bed & Breakfast	(30)	(30)	-	In line with budget
Property Asset Income	(966)	(903)	63	Mainly due to the Princess PRSA New lease arrangements resulting in loss of income of £73k partially offset by other minor variances
Total	**(5,275)**	**(5,111)**	**164**	

Budget Additions:

Table 4 - General Fund Revenue Budget Movement				
Description	**AD**	**Approval**	**Funding**	**£**
Income management	AD Corporate	Proforma B	ICT reserve	15,504
Subtotal: ICT Reserve				**15,504**

Description	**AD**	**Approval**	**Funding**	**£**
Planning Service Review	AD Planning and Strategic Infrastructure	Proforma B	Transformation reserve	8,016
Technology Forge contract	AD Corporate	Proforma B	Transformation reserve	8,390
Technology Forge Migration	AD General Fund Assets	Proforma B	Transformation reserve	8,000
Interim Waste Manager	AD Neighbourhoods	Proforma B	Transformation reserve	13,416
Accessing EHC Funding	AD Wellbeing and Communities	Proforma B	Transformation reserve	5,000
Guildhall support for funding submission	AD Leisure and Culture / General Fund Assets	Proforma B	Transformation reserve	12,442
Temp 2 roles for 2 years to oversee Food Waste etc	AD Neighbourhoods	Proforma B	Transformation reserve	9,904
Unit 4 Cloud Migration	AD Finance	Proforma B	Transformation reserve	37,213
CIPFA works requested by S151	AD Finance	Proforma B	Transformation reserve	3,080
Staffing Costs	AD Finance	Proforma B	Transformation reserve	44,577
HR Transformation Resource	AD Corporate	Proforma B	Transformation reserve	5,845
Shared Officer Job Evaluation Scheme.	AD Corporate	Proforma B	Transformation reserve	5,247
Empty Properties review	AD Finance	Proforma B	Transformation reserve	10,528
Subtotal: Transformation Reserve				**171,658**
Boston Market regeneration	AD Leisure and Culture	Proforma B	Contingency reserve	47,750
Fly tipping liaison officer	AD Regulatory	Proforma B	Contingency reserve	2,576
Boston Events	AD Leisure and Culture	Proforma B	Contingency reserve	14,130
Market stall erectors redundancy stage 1	AD Leisure and Culture	Proforma B	Contingency reserve	19,984

APPENDIX A

Description	AD	Approval	Funding	£
Town Centre Action CHE2 - Deliver Xmas festival - Support illuminate Parade	AD Leisure and Culture	Proforma B	Contingency reserve	10,000
Synthetic Ice Rink - Christmas 2024	AD Wellbeing and Communities	Proforma B	Contingency reserve	10,000
BBC Markets Regeneration	AD Leisure and Culture	Proforma B	Contingency reserve	16,275
Subtotal: Contingency Reserve				**120,715**
Vehicle upgrades	AD Neighbourhoods	Proforma B	Capital Reserve	7,150
Subtotal: Capital Reserve				**7,150**
Tree works	AD Neighbourhoods	Proforma B	Insurance Reserve	10,375
Subtotal: Insurance Reserve				**10,375**
Conservation Area project	AD Planning and Strategic Infrastructure	Proforma B	Planning reserve	13,406
Subtotal: Planning Reserve				**13,406**
			Subtotal Reserve Use.	**338,808**
BTAC Events	AD Leisure and Culture	Proforma B	BTAC Reserve	4,000
Subtotal: BTAC Reserve				**4,000**
Household support fund	AD Wellbeing and Communities	New Budget	Additional income	185,800
Software licences	AD Corporate	New Budget	Additional income	3,000
DA accreditation	AD Wellbeing and Communities	New Budget	Additional income	5,000
AD Finance	AD Corporate	Proforma B	Increased salary efficiency target	13,070
Serious Violence funding	AD Wellbeing and Communities	New Budget	Additional income	265,220
Env Health Qtr 1	AD Regulatory	New Budget	Additional income	4,410
Climate Change transfer of funding from ELDC	AD Regulatory	New Budget	Additional income	55,000
Additional Homelessness income	AD Wellbeing and Communities	New Budget	Additional income	92,671
Broker Fees Temporary investments	AD Finance	New Budget	Additional income	10,000

Description	AD	Approval	Funding	£
Migration of data from Alfresco	AD Corporate	Proforma B	In year savings	12,275
NHS project funding balance	AD Economic Growth	Proforma B	Additional income	296,307
Economic Growth Events	AD Economic Growth	New budget	In year savings	4,476
Subtotal: Additional Income/Efficiency increases				**947,229**
Total Budget Movement as at 31 March 2025				**1,290,037**

Reserves

At 31 March 2025 the balance for specific reserves at year end are £15.820m, after a net transfer from reserves of £2.154m to cover revenue and capital expenditure. **Table 4** reflects the outturn position.

Specific and General Reserves Balance				
Reserve	Balances at 1 April 2024 £'000	Contributions into Reserves £'000	Use of Reserves £'000	Balances at 31 March 2025 £'000
Capital Funding	6,390	-	(138)	6,252
Transformation	981	1,189	(439)	1,731
Repairs and Renewals	612	15	(37)	590
ICT	35	-	-	35
Housing	1,449	404	(89)	1,764
Controlling Migration Fund	14	-	-	14
Insurance	208	-	(10)	198
Risk Mitigation Reserve	1,116	-	-	1,116
Funding Volatility	1,892	1,390	(10)	3,272*
Contingency Reserve	382	-	(171)	211
Climate Change Reserve	101	52	(29)	124
Planning Reserve	339	110	(15)	434
Property Funds Reserve	147	-	(68)	79
Specific Reserves Total	**13,666**	**3,160**	**(1,006)**	**15,820**
General Fund	2,000	-	-	2,000
S106 & Commuted Sums	128	1,123	(20)	1,231
BTAC	208	86	-	294**
TOTAL	**16,002**	**4,369**	**(1,026)**	**19,345**

*Includes the 2024/25 surplus of £1,015,000

**Includes the BTAC 2024/25 surplus of £86,000

Section 2.3 – Capital Budget

This section covers:

- Revisions to the Capital Programme
- Progress against the 2024/25 approved capital programme and the outturn
- Funding of the Capital Programme

Table 5a – 2024/25 Capital Programme and Outturn			
Scheme	**Revised Budget 2024/25 £'000**	**Actual March 2024/25 £'000**	**Variance (under)/over £'000**
Disabled Facilities Grant	1,570	1,066	(504)
Resurfacing & footpath improvements	45	50	5
Town Centre Heritage Scheme	116	116	-
Vehicle Replacements	-	27	27
Housing Strategy	57	-	(57)
Information Technology Infrastructure Refresh	254	78	(176)
Markets Regeneration	57	57	-
ICT – Relocate Server Room to SHDC	60	66	6
Pool Cars	68	64	(4)
Fly-Tipping Intervention	9	5	(4)
Swimming Pool Support Fund	167	45	(122)
Uniform	49	49	-
Unit 4 Implementation	25	25	-
Total Projects (Excl Towns Funds, UKSPF, LUF & BPF)	**2,477**	**1,648**	**(829)**
Towns Fund – Leisure	595	458	(137)
Towns Fund – Mayflower	6,731	5,648	(1,083)
Towns Fund - St Botolph's Library	69	12	(57)
Towns Fund - Healing the High St (incl. Shodfriars)	250	282	32
Towns Fund – Centre for Food and Fresh Produce	710	710	-
Towns Fund - Boston Station	2,268	1,404	(864)
Total Towns Fund Projects	**10,623**	**8,514**	**(2,109)**
UKSPF (Capacity building projects for local groups)	323	348	25
UKSPF Rural (Community projects aimed at reducing the cost of living)	203	278	75
Total UKSPF Projects	**526**	**626**	**100**
LUF - Former B&M Site	150	209	59
LUF - Crown House	2,000	1,645	(355)
LUF - Public Realm	550	522	(28)
Total LUF Projects	**2,700**	**2,376**	**(324)**
BPF – Boston United Football Sports Complex	425	-	(425)
BPF – Affordable Homes (Quadrant Housing Development)	1,000	3	(997)
BPF – Boston Community Research Project	71	-	(71)
BPF – Community Organisations Package	690	-	(690)
BPF – Boston Connected	93	1	(92)
BPF – St Botolph's Church Visitor Offer	50	-	(50)

Table 5a – 2024/25 Capital Programme and Outturn			
Scheme	**Revised Budget 2024/25 £'000**	**Actual March 2024/25 £'000**	**Variance (under)/over £'000**
BPF – PE21 Rosegarth Square	1,909	1,902	(7)
BPF – Haven Wharf	250	-	(250)
Total BPF Projects (excl Boston Leisure)	**4,488**	**1,906**	**(2,582)**
Grand Total	**20,814**	**15,070**	**(5,744)**

The revised capital budget as at Q4 is £20.814m. The overall expenditure as at Q4 is £15.070m.

The Towns Fund projects represent the largest specific group at £10.623m, 51% of total revised capital budget followed by Boston Partnership Funding (BPF) £4.488m which represents 22%. Others make up the remaining £5.703m, 27% of total revised capital budget including Levelling Up Funding (LUF).

Progress against approved budgets

- **Disabled Facilities Grant –** Committed and works in progress not completed in year.
- **Resurfacing & footpath improvements –** Overspend grant funded.
- **Vehicle Replacements –** Accelerated spend.
- **Information Technology Infrastructure Refresh –** Standing budgets unutilised.
- **ICT – Relocate Server Room to SHDC –** Project ongoing with budget in 2025/26.
- **Swimming Pool Support Fund –** Scheme ongoing. Slippage required.
- **Towns Fund – Leisure** – Phase 1 is progressing through design and demolition stages, with the main pool closure and contractor compound setup planned from early June. Phase 2 design is advancing toward RIBA Stage 3, with planning submission in preparation. Coordination across phases and accessibility remain key priorities.
- **Towns Fund – Mayflower** – Construction works moving forward at pace, completion expected before term start in September 2025.
- **Towns Fund – Healing the High St (incl. Shodfriars)** – Slippage entered during budget setting and Q3, spend within year has exceeded expectations therefore accelerated spend required.
- **Towns Fund** – **Centre for Food and Fresh Produce** – Scheme reaching completion, Towns Fund grant being utilised.
- **LUF – Former B&M Site** – Demolition is now complete. NHS planning application has been submitted, project remains on track.
- **LUF – Crown House** – Building has been demolished; groundworks are set to begin. Construction programme has been extended into Q1 2026/27.
- **LUF – Public Realm** – Contract signed, hoardings are up and substation work is progressing. Stakeholder engagement ongoing, programme is progressing as planned. Pre-planning condition relating to archaeology is now discharged and work has commenced.
- **BPF – PE21 Rosegarth Square** – Former B&M building purchase and demolition completed; residual funding being utilised to relocate the substation to enable the site to be ready for next phase of development.
- **BPF – All remaining schemes –** Schemes ongoing with delivery partners. Slippage required.

2024/25 Funding

Table 5b – Capital Programme Financing			
All Projects	**Approved Budget 2024/25 £'000**	**Actual March 2024/25 £'000**	**Variance (under)/over £'000**
Internal Borrowing	(396)	(217)	179
External Grants	(20,099)	(14,658)	5,441
Capital Reserve	(105)	(138)	(33)
Other Reserve – Housing Enabling	(157)	-	15
Other Reserve – Contingency Reserve	(57)	(57)	-
Totals	**(20,814)**	**(15,070)**	**5,744**

Capital Financing

The current Capital Programme is financed from reserves and internal borrowing in line with the Capital Strategy. **Table 6** indicates the forecast capital resources available to the Council at the end of 2024/25. The estimated position for the following years is also provided.

Table 6 – Capital Resources			
	2023/24 £'000	**2024/25 £'000**	**2025/26 £'000**
Capital Resources* available at start of each year	5,918	6,193	6,055
Capital Investment (estimate in future years)	(5,939)	(15,070)	(38,686)
Additional Sources of Finance			
New Capital Receipts (estimate in future years)	-	-	-
Funding from other reserves	167	57	1,174
External Grants	3,924	14,658	35,435
Internal borrowing	1,779	217	1,339
Budgeted contributions to capital reserve	344	-	-
Estimated Capital Resources* at end of each year	**6,193**	**6,055**	**5,317**

** Capital Reserve and Capital Receipts*

Section 2.4 – Treasury Management

Investments at 31 March 2025

During the financial year the Council has made fixed term investments in line with the agreed Treasury Management Strategy.

Detailed in **Table 7** are the investments held by the Council on 31 March 2025 excluding accrued interest. The peaks and troughs in cash flow are managed daily. The Council collects money on behalf of other organisations which are paid out at future dates (e.g., Council Tax and Business Rates). The value of investments held at any point in time does not represent the value of Boston's own resources alone.

Table 7 – Cash Investments on 31 March 2025

Financial Institution	Country	Amount (£)	Start Date	Maturity Date	Fixed/ Variable	Yield %
HSBC Current Account	UK	117,931	N/A	Instant Access	N/A	N/A
Barclays Bank Call Account	UK	1,013,905	N/A	Instant Access	N/A	3.00%
CCLA Money Market Fund	Various	1,700,000	N/A	Instant Access	Variable	4.50%
Harlow District Council	UK	2,000,000	28/02/2025	17/04/2025	Fixed	5.70%
Surrey County Council	UK	2,000,000	28/02/2025	17/04/2025	Fixed	5.80%
CIC Bank	France	3,000,000	03/05/2024	02/05/2025	Fixed	5.33%
Canterbury City Council	UK	2,000,000	21/05/2024	21/05/2025	Fixed	5.25%
UBS Bank	Switzerland	3,000,000	12/07/2024	11/07/2025	Fixed	5.18%
Police & Crime Commissioner for Herts	UK	2,000,000	13/12/2024	11/07/2025	Fixed	5.60%
City of Bradford MBC	UK	2,000,000	17/03/2025	17/09/2025	Fixed	5.45%
Ashford District Council	UK	2,000,000	18/12/2024	19/09/2025	Fixed	5.60%
Gloucester City Council	UK	2,000,000	03/01/2025	03/10/2025	Fixed	5.40%
The Highland Council	UK	2,000,000	24/10/2024	24/10/2025	Fixed	5.00%
North Lanarkshire Council	UK	2,000,000	11/11/2024	10/11/2025	Fixed	5.05%
The Moray Council	UK	2,000,000	28/11/2024	27/11/2025	Fixed	5.35%
Basildon Borough Council	UK	2,000,000	18/02/2025	17/02/2026	Fixed	5.65%
Great Yarmouth BC	UK	2,000,000	24/02/2025	24/02/2026	Fixed	5.60%
Aberdeen City Council	UK	2,000,000	28/03/2025	27/03/2026	Fixed	5.50%
TOTAL		**34,831,836**				

At Quarter 3 the level of investments was £40.4m. The Council has purchased property fund units and the table below provides a breakdown in relation to the purchase of these units:

Fund	Date of Purchase	Net Asset Value at Date of Purchase (£)	Premium/ (Discount) on Purchase (£)	Premium/ (Discount) on Purchase (%)	Total Cost (£)
Black Rock UK Property Fund	05/08/16	255,085	(5,102)	(2.00)	249,983
	30/12/16	255,085	(5,103)	(2.00)	249,982
	28/09/18	3,945,592	54,449	1.38	4,000,041
	TOTAL	**4,455,762**	**44,244**	**0.99**	**4,500,006**
Schroder UK Real Estate Fund	05/08/16	250,000	-	-	250,000
	03/09/18	4,020,006	(20,000)	(0.50)	4,000,006
	TOTAL	**4,270,006**	**(20,000)**	**(0.47)**	**4,250,006**
Threadneedle Property Unit Trust	31/08/16	263,549	(13,177)	(5.00)	250,372
	31/08/18	2,902,441	86,572	2.98	2,989,013
	28/09/18	483,966	16,116	3.33	500,082
	31/10/18	483,930	16,357	3.38	500,287
	TOTAL	**4,133,886**	**105,868**	**2.56**	**4,239,754**
M&G Investments UK Property Fund (after distributions)	14/09/18	**248,257**	**88,020**	**2.25**	**336,277**
AEW UK Core Property Fund	31/10/18	**3,745,319**	**254,681**	**6.80**	**4,000,000**
TOTAL		**16,853,230**	**472,813**	**2.30**	**17,326,043**

Property Fund Investments (Capital Expenditure) as at 31 March 2025

Financial Institution	Purchase Cost (£)	2024/25 Budgeted Net Revenue 2024/25 (£ & %)	2024/25 Outturn Net Revenue (£ & %)	Net Asset Value (£)	Total Gain/ (Loss) Since Purchase (£ & %)	Capital Gain/(Loss) Since 31/3/24 (£ & %)	2024/25 Combined Annual Return (%)
BlackRock UK Property Fund	4,500,006	180,000 4.00%	140,881 3.13%	4,045,511	(454,495) (10.10%)	66,985 1.68%	4.81%
Schroder UK Real Estate Fund	4,250,006	170,000 4.00%	148,496 3.49%	3,556,483	(693,523) (16.32%)	(36,421) (1.01%)	2.48%
Threadneedle Property Unit Trust	4,239,754	169,590 4.00%	150,309 3.55%	3,656,500	(583,254) (13.76%)	137,476 3.91%	7.46%
M&G Investments UK Property Fund (After Distribution Payments)	336,277	29,200 4.00%	16,116 4.79%	464,052	127,775 N/A	(18,424) N/K	N/K
AEW UK Core Property Fund	4,000,000	160,000 4.00%	101,108 2.53%	3,514,059	(485,941) (12.15%)	81,795 2.38%	4.91%
TOTAL	**17,326,043**	**708,790**	**556,910**	**15,236,605**	**(2,089,438)**	**231,411**	
Adjustment for 23/24 Accrual	-	-	(22,284)	-	-	-	-
GRAND TOTAL	**17,326,043**	**708,790**	**534,626**	**15,236,605**	**(2,089,438)**	**231,411**	

The overall change in the combined Net Asset Values during 2024/25 for all funds at Quarter 4 has been an increase of £231,411 compared to an increase of £140,284 as at the end of Quarter 3. The movement in fair value of the funds gets charged to the revenue account and reversed out through the MIRS to the capital adjustment account each year end so there is no bottom-line impact.

Property Fund Dividends

An analysis of dividend distributions received since the purchase of the property funds to 31 March 2025 can be found in **Table 8** below.

Table 8 – Property Fund Dividend Information

Financial Institution	Actual Net Dividend Distributions Received Pre 2024/25 (£)	Net Dividend Distributions Received 2024/25 (£)	Adjustment For 2023/24 Accrual (£)	Total Net Distributions Received Since Purchase (£)
BlackRock UK Property Fund	809,969	140,881	645	951,495
Schroder UK Real Estate Fund	809,186	148,496	(1,171)	956,511
Threadneedle Property Unit Trust	1,015,699	150,309	(3,229)	1,162,779
M&G Investments UK Property Fund	534,942	16,116	-	551,058
AEW UK Core Property Fund	905,204	101,108	(18,529)	987,783
Total Revenue	**4,075,000**	**556,910**	**(22,284)**	**4,609,626**

The M&G UK Property fund is liquidating its assets and therefore their fund valuation is reducing as repayments are made. Of the £4m originally invested, M&G have paid Boston BC distribution payments totalling £3,663,724 as of 31 March 2025, from the asset sale proceeds leaving a balance of £336,276.

Maturity Structure of Investments

An analysis of the maturity structure of investments on 31 March 2025 can be found in Table 9 below.

Table 9 - Maturity Structure of Investments on 31 March 2025.

Period to Maturity	Amount (£)	% of Portfolio
Instant Access	2,831,836	5%
Less than one month	4,000,000	8%
One to three months	5,000,000	10%
Three to six months	9,000,000	17%
Six to nine months	8,000,000	15%
Nine months to a year	6,000,000	12%
>12 Months*	17,326,043	33%
TOTAL	**52,157,879**	**100%**

* Includes M&G property fund investments at cost less asset sale distributions received.

Summary of Investment Income Received Against Budget and Actual Outturn

Table 10 below provides a comparison of interest received against budget at Quarter 4 to 31 March 2025.

Table 10 - Interest Received Against Budget and Actual Outturn

Investment Type	2024/25 Budget (£)	2024/25 Actual (£)	2024/25 Variance (£)
Treasury Investments			
Gross Interest	(887,720)	(1,765,663)	(877,943)
Brokers Fees	10,000	3,263	(6,737)
Net Position	(877,720)	(1,762,400)	(884,680)
	(5.075%)	*(5.291%)*	(0.216%)
Property Funds			
Gross Distributions	(878,790)	(713,515)	165,275
Less Management Fees	170,000	178,889	8,889
Net Distributions	(708,790)	(534,626)	174,164
	(4.000%)	*(3.214%)*	*0.786%*
Total Net Income	**(1,586,510)**	**(2,297,026)**	**(710,516)**
	(4.531%)	***(4.572%)***	***(0.041%)***

At 31 March 2025 there was a favourable variance of £710,516 (Q3 £502,855).

Treasury investments achieved an average rate of 5.291% (Q3 5.317%) and property fund investments achieved an average rate of 3.214% (Q3 3.445%). The combined rate achieved on all investments was 4.572% (Q3 4.656%).

The higher level of investment income achieved compared to the original budget is due to interest rates in the market being higher than the budgeted return for 2024/25 and balances available for investment being higher due to slippage in the capital programme and additional grant receipts during the year.

External Borrowing

The Council has a £1m Lender Option Borrower Option (LOBO) loan with State Street Nominees at a rate of 11.125% which is due to mature in 2051.

The following table provides a comparison of budgeted borrowing costs and the outturn position for the year.

Table 11 – Summary of Borrowing Costs Against Budget and Actual Outturn

Borrowing Type	2024/25 Budget (£)	2024/25 Actual (£)
State Street LOBO	111,250	111,250
Total Borrowing Costs	**111,250**	**111,250**

Summary of the Net Treasury Position Against Budget and Actual Outturn

The following table provides an analysis of the net position following the decision to repay the PWLB borrowing and takes account the discount which must be allocated to revenue over a ten-year period in accordance with proper accounting practice.

Table 12 - Summary of the Net Treasury Position Against Budget and Actual Outturn

	2024/25 Budget (£)	2024/25 Actual (£)	2024/25 Variance (£)
Net Investment Income (Table 10)	(1,586,510)	(2,297,026)	(710,516)
Premature Repayment of Borrowing Discount Allocated to Revenue	(641,743)	(641,743)	-
Total Borrowing Costs (Table 11)	111,250	111,250	-
Overall Net Position	**(2,117,003)**	**(2,827,519)**	**(710,516)**

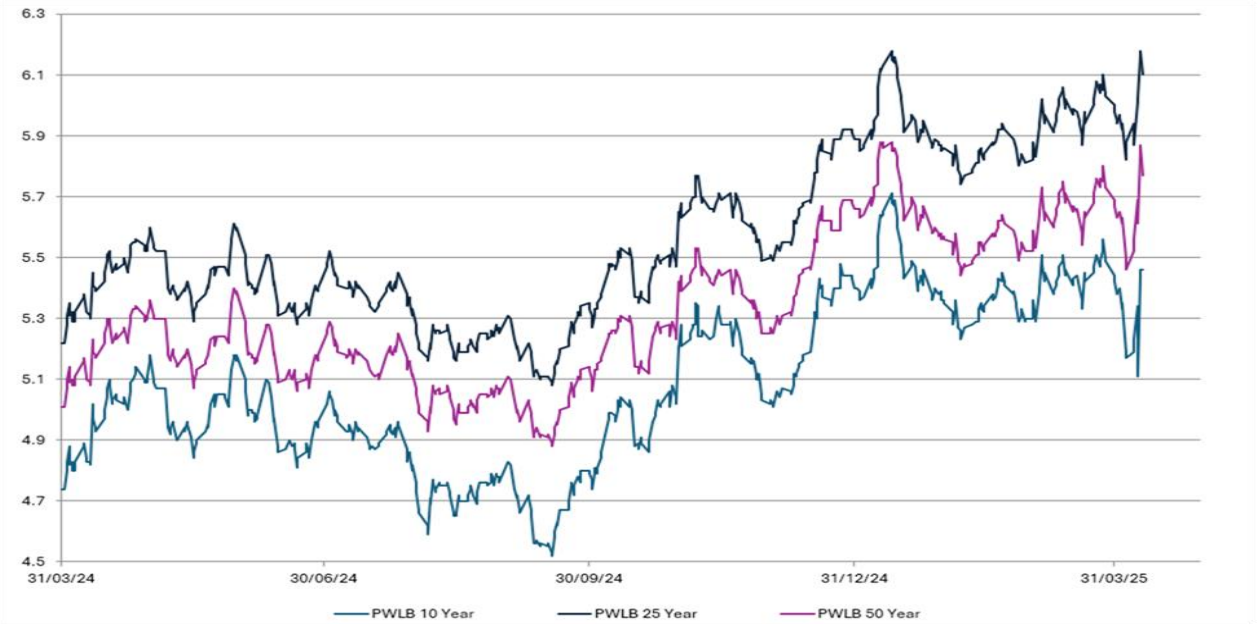
At 31 March 2025 there was a favourable variance of £710,516 (Q3 £502,855).

Public Works Loan Board (PWLB) Borrowing Rates

During the first six months of the financial year PWLB rates had generally been on a slow downward trajectory reflecting the expectation that interest rates would fall during the remainder of the financial year. During the second half of the financial year PWLB rates increased following the budget and the global threat of US tariffs.

The 50 year PWLB certainty rate was 5.67% on 31 March 2025 compared with 5.66% at the end of Quarter 3.

Graph 1 – PWLB Borrowing Rates



Summary

During the financial year the Bank of England Base Rate has reduced from by 5.25% to 4.50%.

Risks prevail in the financial markets and are subject to a continued high level of scrutiny with any significant issues arising being reported to the Council's Audit and Governance Committee. Changes to credit ratings of financial institutions are monitored daily and where required reported to the Section 151 Officer for an agreed course of action to be taken.

Section 2.5 – Insurance

Table 13 details the number of formal insurance claims for Quarter 1 to 4 of 2024/25 (figures in brackets are comparable figures for 2023/24).

Table 3 – Insurance Claims					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Public Liability	2(1)	0(0)	1(1)	0(2)	3(4)
Employers Liability	0(0)	0(0)	1(1)	0(1)	1(2)
Motor	1(4)	2(2)	4(2)	2(5)	9(13)
Property	1(0)	1(0)	1(0)	0(0)	3(0)
Officers Indemnity	0(0)	0(0)	0(0)	0(0)	0(0)
Total	**4(5)**	**3(2)**	**7(4)**	**2(8)**	**16(19)**

Insurance Reserves

The Council maintains an insurance reserve for smaller value insurance claims where the losses are below the principal deductible of £25k.

At 31 March 2025 the balance on the reserve was £197k, and this balance is monitored on a regular basis to ensure that the value of the reserve is sufficient to meet future liabilities.

Section 2.6 – Debt Collection

A review of debts is undertaken every month, and monitoring is reported against targets. In line with the financial procedure limits debts below £5,000 require sign off by the Chief Finance Officer with all debts for this amount or over requiring Cabinet approval. New arrangements are in place for regular reporting and review of sundry debts and proactive management is taking place which is also resulting in debt levels and age of debt reducing.

An analysis of the sundry debts the Council held as at 31 March 2025 is show in **Table 13**.

Table 14 – Sundry Debt Analysis							
0-30 days £	31-60 days £	61-90 days £	91-120 days £	121-183 days £	184-365 days £	Over 365 days £	Total £
493,748	12,258	114,011	3,376	-1,016	21,746	534,686	1,178,809

Note: This does not include details of invoice amounts totalling £209,146 that are not yet due

Section 2.7 – Council Tax and Business Rates

2024/25 remained challenging with the long-term effect on collection and recovery as a result of the ongoing impact of the pandemic, and the cost-of-living challenges. In recognition, we continue to remain prudent in setting the bad debt provision in this area.

A programme of statutory recovery activity took place throughout the year.

Council Tax Support Scheme (CTS)
Following the annual review during 2023/24, the 2024/25 scheme has remained unchanged from the previous year, allowing for national up-ratings.

A fundamental review of the scheme has been carried out in 2024/25, with changes being introduced from April 2025.

Council Tax – 2024/25 Quarter 4 In-Year Collection

The collectable debit for the year at 31 March 2025 was £44.7m with a net collection rate of 93.8% achieved (93.4% at 31 March 2024).

Business Rates – 2024/25 Quarter 4 In-Year Collection

The collectable debit for the year at 31 March 2025 was £20.4m with a net collection rate of 93.8% achieved (93.8% at 31 March 2024).