

## **REPORT OF THE CABINET MEMBER FOR FINANCE & RESOURCES**

### **MANAGEMENT ACCOUNTS 2024/25**

#### **Purpose of the Report**

1. To inform Cabinet of the financial out-turn position of the Authority's 2024/25 accounts including treasury management activities, variations to the capital programme, and movements in relation to earmarked reserves.

#### **Policy Framework and Previous Decisions**

2. The County Council approved the 2024/25 to 2027/28 Medium Term Financial Strategy (MTFS) in February 2024. The MTFS included the establishment of earmarked reserves and the allocation of ongoing revenue and capital financial resources required for the delivery of key priorities.

#### **Information and Advice**

##### **Background**

3. In response to the challenging landscape in Local Government finance, the Authority has been committed over recent years to improve its resilience through robust management of its financial resources. The budgetary position of the County Council has been monitored throughout the year with monthly reports to the Cabinet Member for Finance & Resources and Cabinet providing an update on progress, thus ensuring decision makers had access to financial information on a timely basis. This report sets out the 2024/25 financial out-turn position for the Council.
4. Early in the financial year significant pressures were identified through the budget monitoring process which culminated in a forecast overspend at Period 3 of £6.1m. Following review of the financial position by the Corporate Leadership Team, management action was introduced which started to take effect and reduced the forecast overspend down to £2.1m as at Period 6. These controls continued to have a positive impact to Period 9 as the forecast overspend reduced down to £0.3m. The final out-turn position set out below shows a net overspend of £1.0m (0.1% of the Net Budget Requirement).

## Summary Financial Position

5. Portfolio budgets are showing a net overspend of £23.8m or 3.2% of net Portfolio budgets. This compares to a Period 11 forecast overspend of £21.4m as a result of some further adverse movements within Portfolios. The net budget overspend of £1.0m (0.2% of net Annual budget) will result in a commensurate call on the General Fund balance as reflected in Table 1.
6. The detailed figures are summarised in the appendices to this report. Table 1 shows the summary revenue position of the County Council.

**Table 1 – Summary Financial Position**

Portfolio	Final Budget £'000	Draft Out-turn £'000	Draft Variance £'000	Percentage Variance to Annual Budget
Children & Families	173,603	178,484	4,881	2.8%
Adult Social Care	291,902	312,426	20,524	7.0%
Transport & Environment	139,581	139,044	(537)	(0.4%)
Education & SEND	27,407	27,304	(103)	(0.4%)
Communities & Public Health	24,133	24,457	324	1.3%
Economic Development & Asset Management	27,662	27,132	(530)	(1.9%)
Deputy Leader & Transformation	3,677	3,571	(106)	(2.9%)
Finance & Resources	52,733	52,082	(651)	(1.2%)
<b>Net Portfolio (under)/overspend</b>	<b>740,698</b>	<b>764,500</b>	<b>23,802</b>	<b>3.2%</b>
Central items	(88,050)	(110,694)	(22,644)	
Contribution to Schools Expenditure	270	515	245	
Contribution to/(from) Traders	1,779	701	(1,078)	
<b>Forecast prior to use of reserves</b>	<b>654,697</b>	<b>655,022</b>	<b>325</b>	
Transfer to / (from) Corporate Reserves	5,092	5,092	-	
Transfer to / (from) Departmental Reserves	(20,954)	(20,326)	628	
Transfer to / (from) General Fund	-	(953)	(953)	
<b>Net County Council Budget Requirement</b>	<b>638,835</b>	<b>638,835</b>	<b>-</b>	

## Net Portfolio Spend

7. The overall net overspend within the Portfolios is £23.8m (3.2%) and the principal reasons for the variations are detailed below.

### Children & Families (£4.9m overspend, 2.8% of Portfolio budget)

8. The major contributing variances are:
  - A £7.6m net overspend on Commissioning & Resources mainly due to an adverse variance of £8.8m on External Looked After Children (LAC) placements. Whilst overall LAC numbers have reduced over the last few months there continues to be increasing pressure on external provision and specifically the increasing average cost of residential placements. This was also evident in the last quarter of 2023-24, with additional costs emerging for extra staffing, vacant beds within block provision, complex needs and general market driven price increases. Inevitably, most of these commitments carried into 2024-25, thus accounting for the initial bulk of the overspend along with continued growth in numbers. The overspend principally relates to the

number of residential placements and to general market conditions where demand continues to outstrip supply in all placement types compounded by associated premium prices. Declining numbers in internal fostering placements (IFAs) has also contributed to the service pressures. The weighted average cost of current external placements increased to £154,000 compared with £133,000 a year ago. This overspend in LAC is offset by a net underspend of £1.2m across a range of other budgets.

- A £2.7m underspend in the Care, Help and Protection Division is due to a £1.9m underspend against the Internal Residential and Fostering budget, a £1.1m underspend on children's social work staffing on children's social work staffing and a net £0.2m overspend across a range of other budgets.

### **Adult Social Care (£20.5m overspend, 7.0% of Portfolio budget)**

9. The £20.5m overspend in the Adult Social Care portfolio was principally due to an unfunded increase in the National Living Wage (NLW) that resulted in associated increases in the cost of care. £24.3m of funding was provided to fund fee uplifts of which £21.7m related to the NLW (£5.0m of the increase was funded from a separate Market Sustainability and Improvement Fund grant (MSIF)). However, demand growth outstripped the resources available, only £5.8m was provided of which £1.1m was funded by Discharge Grant. In contrast in 2025/26, £10.0m was provided to support growth in demand.
10. In addition to this the Council spent a significant amount of time and energy in a financial dispute with both Integrated Care Boards (Nottinghamshire and Derbyshire) concerning financial commitment to shared care packages. This initially placed c£60m of income at risk and through a process of dispute resolution and joint reviews, the Council saw a loss of £8m of income and an estimate of a further £8m of costs previously met through healthcare that are now met by the Council.
11. The extra costs of new care packages were managed by instituting a suite of technology enabled care initiatives which are a more cost-effective way to satisfy demand. Had this activity not occurred, the increases in both demand and costs of care would have led to a substantially greater overspend.
12. During 2024/25 the Adult Social Care sector nationally experienced huge increases, well above inflation, in the cost of new packages of care compared to the cost of existing packages. Nottinghamshire was no exception to this and increases of between 24% & 36% were both the norm and not anticipated.
13. The department took a series of additional in-year mitigations which included holding staffing vacancies, reviewing assumptions relating to accounting provisions reducing contracted spend and increasing market cost control through brokerage and market management. These measures delivered £7.0m of additional benefit and can be seen as an underspend in provider services and commissioning budgets. Community Social Work intensified the review programme with a focus on jointly funded packages of support with both Integrated Care Boards.
14. Moving into 2025/26, the Council is continuing to take mitigating actions and this activity is being overseen by the departmental officer sustainability board.

### **Transport & Environment (£0.5m underspend, 0.4% of Portfolio Budget)**

15. The Transport and Environment portfolio has underspent by £0.5m due to underspends in Waste budgets (£1.1m) and Transport budgets (£0.3m) offset by overspends in Highways (£0.7m) and Conservation (£0.2m) budgets.

### **Education and SEND (£0.1m underspend, 0.4% of net portfolio budget)**

16. There is a £0.1m underspend in the Education and SEND portfolio mainly due to the full cost of the Early Years Inclusion Fund being met from the Dedicated Schools Grant.

### **Communities & Public Health (£0.3m overspend, 1.3% of Portfolio budget)**

17. An overspend on the County Enterprise Foods budget (£0.8m) is due to a reduction in income, increasing costs and unachieved savings targets. The Coroners' budget has also overspent (£0.5m) due to an increased number of post-mortems and associated histology costs. Across the division, these overspends are offset by a £1.0m underspend across Public Health budgets. The Public Health variance, which is due to underspends across a range of initiatives, will result in residual funds being transferred into the Public Health Grant reserve for use in future years.

### **Economic Development & Asset Management (£0.5m underspend, 1.9% of Portfolio budget)**

18. There is an underspend of £0.5m in the Economic Development and Asset Management portfolio which is comprised of an overspend against Property Growth and Development budgets (£0.8m) due to increased expenditure on building maintenance and cleaning costs offset by an underspend of £1.3m against a range of Investment and Growth budgets.

### **Deputy Leader & Transformation (£0.1m underspend, 2.9% of Portfolio budget)**

19. The Deputy Leader and Transformation portfolio has underspent by £0.1m due to staffing vacancies across the service.

### **Finance & Resources (£0.7m underspend, 1.2% of Portfolio budget)**

20. The variance in the Finance and Resources portfolio is mainly as a result staffing vacancies across a range of support functions.

### **Traders Services (£1.1m underspend)**

21. As reported throughout the financial year, a budget provision of £2.5m was allocated for 2024/25 to cover potential deficits against Traded Services as they were reviewed and new operating models considered. Against this provision, there was an underspend of £1.1m. The Catering Services continued to experience cost pressures based on recent inflationary food increases, Pay Awards and foundation living wage implications and a forecast combined trading deficit of £1.4m was reported against the Schools Catering Service (£1.3m) and County Offices Catering (£0.1m).

### **Central Items (£22.6m underspend)**

22. Central Items primarily consist of interest on cash balances and payments on borrowing, contingency allocations, capital charges and various general government grants. The key variances relate to favourable returns on interest rate movements (£8.9m), unspent contingency budget (£7.2m) and excess Core Government Grants (£4.0m) which are all further detailed below. Other variations (net total £2.5m underspend) within the central items category are detailed in Appendix A.

- **Contingency (£7.2m underspend)**

As reported to Cabinet throughout the year, the contingency base budget was increased to £15.8m to reflect the pending 2024/25 pay award and a number of other demand and inflationary pressures with a high degree of uncertainty with regard to likelihood, value and profiling. Whilst a number of these pressures have materialised and were subsequently released to Portfolio budgets, there remained an overall underspend of £7.2m. A detailed breakdown of how this budget was utilised is provided in Appendix C of this report.

- **Government Grants (£4.0m underspend)**

Several core non-ringfenced government grants are retained within central items, however some values are not confirmed until after the budget is set in February of each year resulting in year-end variances to budget. The £4.0m underspend is attributed to additional Section 31 income received from Central Government to offset business rate reliefs.

- **Interest and Dividends (£8.9m underspend)**

Interest payable and receivable forecasts depend upon Treasury Management decisions taken in relation to expectations of future rates and anticipated slippage on the capital programme. Favourable variances against each of these factors coupled with other interest and dividends received in year have achieved a net underspend of £8.9m in 2024/25.

- **Traders Pensions (£1.1m underspend)**

A budget is retained to cover the pension deficit related costs of employees within Traded services (otherwise known as secondary rate contributions). Based on the actuarial requirements in relation to the overall Pension Fund position, this budget was underspent by £1.1m.

## **Movements on Balances and Reserves (for detail please refer to Appendix B)**

### **Reserves Strategy**

23. The Authority's reserves strategy was approved as part of the 2024/25 Annual Budget Report to Full Council in February 2024. The strategy included planned contributions to reserves to fund specific future priorities as well as intended use of reserves to fund in-year expenditure. To reflect the approved strategy alongside other emerging factors in the 2024/25 accounts, the necessary adjustments have been made. The level of reserves will continue to be reviewed on a regular basis as part of the Authority's Financial Management processes. Further detail of the movement on balances and reserves are set out below.

### **General Fund Balances**

24. At the Full Council meeting on 22 February 2024, it was approved that there be no budgeted movement in relation to General Fund balances. In light of the net overspend of £1.0m reported above, the closing position of the General Fund for 2024/25 is £35.9m. Whilst this balance continues to provide assurance in terms of resilience, there are still significant challenges facing the Council in both the short and medium-term. As a consequence, it can be anticipated that this balance will be further eroded as the Council confronts a range of prevailing demand and inflationary pressures to ensure ongoing financial sustainability.

### **Other Earmarked Reserves**

25. At the end of 2024/25, other 'earmarked' reserves totalled £169.5m, a net decrease of £26.7m since 31 March 2024. This consists of the following:

- **PFI Reserves**

26. A total of £24.1m of reserves are held for PFI schemes which equates to 14.2% of other earmarked reserves. The arrangements for calculating PFI grant results in excess grant being received in the early years of a PFI scheme than is needed to meet the payments to providers of the service. These surpluses need to be held in an earmarked reserve to cover the corresponding deficits in later years. The amounts set aside at the end of 2024/25 are shown in the table below.

**Table 2 – PFI balances set aside as at 31/03/2025**

<b>PFI Scheme</b>	<b>£'000</b>
East Leake Schools	2,630
Bassetlaw Schools	2,588
Waste	18,905
<b>Total</b>	<b>24,123</b>

- **Insurance Reserve**

27. The Authority operates a self-insurance scheme and covers risks up to an agreed amount, with external insurers covering risks in excess of this figure. The Insurance Reserve is set aside to cover possible insurance claim losses that are not yet known. The closing balance of this reserve is £44.5m.

- **Capital Projects Reserve**

28. The Capital Projects Reserve supports the Medium-Term Financial Strategy as well as current and future capital commitments. In 2024/25 there was a net use of the reserve totalling £6.1m. As at 31 March 2025, the balance on the Capital Projects Reserve is £11.0m.

- **Strategic Development Fund**

29. It was approved that this reserve supports future year costs associated with the Council's transformation agenda. The closing balance of this reserve is £15.1m to reflect commitments in the Medium-Term Financial Strategy.

- **Workforce Reserve**

30. It has been approved that this reserve will cover pay related costs including National Living Wage increases and Pension Strain, as well as covering excess Pension Contributions. The balance as at 31 March 2025 is £7.5m which also reflects commitments in the Medium-Term Financial Strategy.

- **Earmarked for Services Reserves**

31. All departments have various reserves for specifically identified purposes. In addition, International Financial Reporting Standards requires some grant income such as Public Health and Section 256 grants to be carried on the Balance Sheet as a reserve balance to reflect restrictions specific to the grant. During the year, these departmental balances reduced by a net £13.6m to £45.7m.

- **NDR Pool Reserve**

32. The pool was established in April 2013 when a new funding mechanism was introduced with the seven District and Borough Councils. There was a net increase of £2.3m in this reserve during 2024/25 with a closing balance of £21.9m.

- **Strategic Technology Reserve**

33. This reserve is dedicated to funding investment in corporate systems upgrades (e.g. BMS and Mosaic) and exploration of opportunities to improve efficiency by use of emerging technology (e.g. Artificial Intelligence). The amount added to this reserve in 2024/25 is £2.8m with a closing balance of £10.2m.

- **Business Rates Equalisation Reserve**

34. This reserve was created to offset any potential deficits created by additional business rate reliefs awarded by Central Government; by directly compensating for correspondingly lower income from the Collection Fund. It is also planned that this reserve will help mitigate any adverse financing outcomes caused by the pending Business Rates reset to be implemented by Central Government in 2026/27. The closing balance of this reserve is £12.0m.

- **Highways and Environment Reserve**

35. This earmarked reserve was originally created to fund works emerging from both the environmental strategy and the highways review over life of the MTFS. The residual balance of this reserve is £0.3m.

- **Corporate Earmarked Reserve**

36. This earmarked reserve contains balances of reserves previously held under services which have been deemed no longer required for their original purpose. This reserve will be used in full to deliver the commitments set out in the Medium-Term Financial Strategy. The closing balance stands at £15.3m.

- **Traders Resilience Reserve**

37. This reserve has been created to help mitigate the costs as work progresses on the Catering and Facilities Management Operating Model Review. The balance on this reserve is £3.6m which will be targeted at funding transitional costs associated with embedding the new Joint Venture Partnership.

- **Section 256 Grants**

38. A total of £2.8m is held in the Section 256 Eco Systems reserve to fund the future development of a new Ecosystem platform capability to enable improved health and care services across the Nottingham and Nottinghamshire Integrated Care System.

## **Financial Risks and Uncertainties**

39. Three main areas were highlighted throughout the financial year as being risks to budget delivery: -

- **Joint Commissioning with Health** – There are on-going talks between Adult Social Care and the Integrated Care Board which aim to come to a reasonable compromise on how joint funding packages are reviewed and new joint funded packages of care will be commissioned in the future. Close attention is being paid to the financial implications to the Council as well as to service users as these discussions progress.
- **Traded Services** – Traded services have been impacted by recent pay awards, the revised living wage and by significant inflation in the early part of the year, particularly on food costs. A Traders Resilience Reserve has been created to help mitigate the expected increase in traded service costs in both this year and future years as work progresses on reviewing the services.

- Resources required to act on SEND Improvement following the findings of the SEND Inspection.
40. To mitigate the impact of overspends on the areas highlighted above, the Authority has benefitted from significant underspends on both interest payable and interest receivable. As set out in the 2024/25 Annual Budget Report, a decision was taken to limit borrowing to what was already approved in the capital programme as well as using capital receipts to repay prior year debt. This, alongside the maximised use of capital grants, has resulted in a forecast saving against interest payable budgets. In addition, the Council received a higher rate of interest on short term investments than budgeted.
41. As reported in the Annual Budget Report 2024/25, there were further significant risks and uncertainties associated with the current local authority operating environment that may have impacted on the delivery of the Medium-Term financial strategy. The main financial risks are as follows:
- The cost pressures factored into the Council's budget may have been insufficient to meet the underlying cost and demand pressures that actually arise, particularly with regard to increased demand for Adults and Children's Social Care Services, Transport, the impact of the National Living Wage (NLW) and agreement on pay awards.
  - Underlying risks caused by the aftermath of global energy and fuel inflation and the associated cost of living crisis have been compounded by national economic issues. Although CPI inflation fell below the Government's 2% target in September 2024 to 1.7%, as at March 2025 it stands at 2.6%. Volatility in the market and forecasts of Bank of England maintaining higher interest rates for longer reflects continuing risk that inflation may remain above the Government's target. In that situation and without a commensurate increase in financial resources, the spending power of the Council will become further eroded.
  - The recent economic volatility in the UK has had a significant impact on the availability of staffing resource particularly in the social care sector as recruiting and retaining care staff across social care services remains difficult. Staff shortages have also been experienced in catering, facilities management and waste services.
  - The current political landscape, including the recently published English Devolution White Paper, is contributing to the uncertainty being faced by Local Government. The recent general and local elections, East Midlands Combined County Mayoral election and potential local government re-organisation will impact upon government priorities and the budgets available to Local Government. Announcements around any potential unfunded burdens relating to the care system may put additional pressure on the Council's financial position.
  - The 2024/25 Settlement reflected a one-year settlement only. As a result, estimated future increases in Central Government grants that are set out in the MTFs may not be in line with future announcements.
42. Given these risks, adequate levels of balances and contingencies need to be maintained in order to provide short-term flexibility to manage unforeseen events, and to allow for any longer-term changes to be implemented.

## Capital Expenditure

40. Capital Expenditure in 2024/25 totalled £149.2m. Table 3 shows the final 2024/25 Capital Programme broken down by Portfolio.

**Table 3 – 2024/25 Capital Expenditure**

<b>Portfolio</b>	<b>Revised Budget £000</b>	<b>Total Outturn £000</b>	<b>Variance £000</b>
Education & SEND	49,154	49,617	463
Children & Families	6,006	5,938	(68)
Adult Social Care & Public Health	882	621	(261)
Transport & Environment	64,586	62,281	(2,305)
Communities & Public Health	1,840	1,336	(504)
Economic Devt & Asset Mngt	21,886	23,333	1,447
Finance & Resources	5,520	6,077	557
<b>Total</b>	<b>149,874</b>	<b>149,203</b>	<b>(671)</b>

Note: These figures exclude any expenditure incurred directly by schools.

### Transport and Environment

41. In the Transport and Environment portfolio capital programme there was an overall underspend of £2.3m compared to the revised budget. This was mainly due to re-profiling of £1.7m against the Gedling Access Road project as compensation payments relating to this project will now take place in future financial years. The out-turn also included slippage of £0.6m across a range of other budgets in the portfolio.

### Communities & Public Health

42. In the Communities and Public Health portfolio capital programme there was an overall underspend of £0.5m across a range of budgets in the portfolio.

### Economic Development & Asset Management (EDAM)

43. In the Economic Development and Asset Management portfolio capital programme there was an overall £1.5m acceleration of capital expenditure compared to the revised budget. This was mainly due to acceleration of £1.7m against the Building and Office Rationalisation Programme as the programme has progressed more quickly than expected. The out-turn also include further net slippage of £0.2m across the remaining projects in the EDAM portfolio.

### Finance & Resources

44. In the Finance and Resources portfolio capital programme there was an overall £0.6m acceleration of capital expenditure compared to the revised budget as more devices and other IT replacements were replaced than forecast.

45. The major areas of investment in 2024/25 are listed in Table 4 below.

**Table 4 – Major investment areas 2024/25**

<b>Portfolio</b>	<b>Scheme</b>	<b>2024/25 Capital Expenditure £'000</b>
Education & SEND	Ravensdale Special School	14,831
	Rushcliffe Expansion Project	11,527
	School Building Improvement Programme	10,145
	School Places Programme	5,613
	Gateford New School	5,040
Children & Families	Clayfields House	4,044
	Integrated Transport Measures	3,162
Transport & Environment	Road Maintenance & Renewals	40,962
	Integrated Transport Measures	4,423
Economic Devt & Asset	Building & Office Rationalisation Project	16,655
	Planned Building Works	3,937
Finance & Resources	Various IT Projects	5,154

### Capital Programme Variations

46. The changes in the gross Capital Programme for 2024/25, since its approval at Council (22/02/24) are summarised in Table 5 below.

**Table 5 2024/25 Capital Programme**

	<b>£'000</b>
Approved per Council (Budget Report 2024/25)	161,296
Variations funded from County Council Allocations : Net slippage from 2023/24 and financing adjustments	(22,014)
Variations funded from other sources : Net slippage from 2023/24 and financing adjustments	9,921
<b>Revised Gross Capital Programme</b>	<b>149,203</b>

47. To comply with financial regulations, every item of capital expenditure incurred by the Council must be approved, irrespective of how it is funded. The Council has been successful in securing a number of capital grants since the Annual Budget Report to Full Council in February 2024. Under the Council's governance arrangements, the Section 151 officer has approved variations to the capital programme as set out in the following paragraphs.

## Education & SEND

48. **Special School Programme** – The Authority has recently been allocated a High Needs Provision Capital allocations of £13.967m in 2025/26. The Education and SEND portfolio capital programme has been varied to reflect that this funding will be used to support the provision of high needs places required across the county.
49. **School Places Programme** - The School Places Programme focuses on the Council's statutory duty to provide sufficient school places across the county. An analysis of school place sufficiency is undertaken on a regular basis and informs the level of grant received from the Department for Education (DfE). The DfE have recently announced the level of local authority Basic Need capital allocations for 2026/27 and 2027/28. Nottinghamshire has received a Basic Need allocation of £13.3m for 2026/27 and £8.4m for 2027/28. The Education and SEND portfolio has been varied to reflect these confirmed allocations.
50. **School Building Improvement Programme** – The Schools Building Improvement Programme focuses on the most immediate condition issues in the Council's maintained schools building stock. The DfE have recently announced a £7.9m School Condition capital grant for Nottinghamshire for 2025/26. The Education and SEND portfolio capital programme has been varied to reflect that this capital grant which will be used to fund the 2025/26 Schools Building Improvement Programme (£7.6m) and the 2025/26 School Access initiative Programme (£0.3m).
51. A small number of minor variations to the Capital Programme also required approval from the Service Director – Finance, Infrastructure and Improvement. These variations are set out in Appendix D.

## Maximising the Use of Capital Grants 2024/25

52. When there is slippage on a scheme funded by grant, rather than slipping the grant funding for use in the next year, it is possible to use the grant to finance the expenditure on a different scheme in the current year. This does not affect the total expenditure on individual schemes, nor their phasing, but delays the use of prudential borrowing and the consequent impact on the revenue budget of having to set aside a minimum revenue provision. The impact of grant maximisation can be seen in Table 6 below.

## Capital Financing

53. The following Table outlines how the 2024/25 capital expenditure has been financed.

**Table 6 - 2024/25 Capital Financing**

	Revised Budget (£'000)	Out-turn (£'000)	Variance (£'000)
<b>Funding Source:</b>			
Prudential Borrowing	63.514	50.131	(13.383)
Capital Grants	71.460	81.098	9.638
Revenue / Reserves	14.900	17.974	3.074
<b>Gross Capital</b>	<b>149.874</b>	<b>149.203</b>	<b>(0.671)</b>

54. Capital receipts for 2024/25 totalled £10.3m. This is £12.3m less than anticipated in the 2024/25 budget report. As is regularly acknowledged, the volume and associated complexity

of potentially large capital receipts increases the risk that income realised from property sales will be below revised forecasts. This has been the case during 2024/25 as large capital receipts have slipped into the next financial year due to a number of issues including longer than expected planning processes and issues identified from site surveys. As per the approved policy, capital receipts have been used to repay prior year borrowing.

55. Total borrowing requirement for the year is £50.1m, which is £13.4m less than the revised budget for 2024/25 of £63.5m. This is as a result of ensuring the maximised utilisation of capital grants and reserves at year-end.
56. The Capital Programme for 2025/26 will be monitored to ensure that borrowing for 2025/26 is managed within the prudential limits for the year. Funding by borrowing in 2025/26 is now projected to be £75.6m and the size of the revised Capital Programme for 2025/26 is £198.2m.

### **Statement of Accounts**

57. The Draft Statement of Accounts 2024/25 were certified by Section 151 Officer on 27 June 2025 to meet the statutory requirements and have been published on the Council's website. The external audit will take place over the coming months and therefore figures will be provisional, pending the hopeful completion of the audit by November 2025.
58. All Treasury Management activities during 2024/25 were carried out within approved limits and adhered to approved policies and practices. Appendix F provides a full report on these activities.

### **Other Options Considered**

59. This report sets out the financial out-turn position of the Authority's 2024/25 accounts including treasury management activities, variations to the capital programme and details movements in relation to Earmarked reserves. No other options were considered.

### **Reasons for Recommendations**

60. For Cabinet to note the financial out-turn position of the Authority's 2024/25 accounts and approve a variation to the capital programme.

### **Statutory and Policy Implications**

61. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATIONS**

That Cabinet notes: -

- 1a) The 2024/25 year-end revenue position.
- 1b) The year-end position and movement of the Authority's reserves as detailed in paragraphs 24 to 38 and Appendix B.
- 1c) The final position on 2024/25 contingency requests as detailed in Appendix C.
- 1d) The year-end position for the 2024/25 Capital Programme and its financing.
- 1e) The capital variations as set out in paragraphs 48 to 51 and Appendix D.
- 1e) The Council's 2024/25 Prudential Indicators as detailed in Appendix E.
- 1f) The Treasury Management outturn report in Appendix F.

**Councillor Stuart Matthews**  
**Cabinet Member for Finance and Resources**

**For any enquiries about this report please contact:**  
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**Constitutional Comments (SSR 23/06/2025)**  
The recommendations fall within the Cabinet's remit.

**Financial Comments (GB 04/06/2025)**  
The financial implications are set out in the report.

**Background Papers**

**Electoral Division(s) and Member(s) Affected**  
All