



The Budget 2024/2025

Monitoring Report

31 December 2024 – Quarter 3

**Michelle Drewery
Assistant Director Resources
Section 151 Officer**

The Budget Monitoring Report 2024/2025: 31 December 2024 – Quarter 3

1. Introduction and Summary

This report provides an assessment of the council's financial performance against its 2024/2025 approved budget, incorporating key financial risks, issues, and opportunities since 1 April 2024 for revenue and capital items. The year-end forecasts take into consideration emerging data from service managers along with actual income and expenditure from 1 April 2024 to 31 December 2024.

The key sections of the report are laid out as follows:

- General Fund (Revenue) – Section 2 and Appendix A
- Capital – Section 3 and Appendix B
- Reserves – Section 4

Risks and Key Items

On 16th December the Government White paper for English Devolution was published, which outlines the Government's aspirations for devolution and local government reorganisation.

Norfolk County Council alongside Suffolk County Council have submitted an application for the Devolution Priority Programme to establish a Norfolk and Suffolk Strategic Authority at pace, which has since been accepted. At present there is uncertainty how this will affect the future of the Council. Interim plans need to be submitted before 21st March 2025, with final proposals being submitted by 26th September 2025.

As of December 2024, inflation is at 2.5%, which is marginally over the target level of 2% set by Government. The lasting effect from inflation on individuals and businesses is being monitored in terms of impacts from increasing revenue costs and demand for the Council's services, risk to recovery of monies collected by the Council and risk that could delay and/or increase the cost of capital projects.

At the end of Quarter 3 the Bank of England base rate remained at 4.75% following a reduction from 5.0% in November 2024.

On 5th February 2025 the Financial Strategy 2024-2029 was presented to Cabinet. The report presented a funded budget for all four years with 2025/2026 being fully met through income generation opposed to a reliance on reserves as previously projected in the prior year MTFS. This demonstrates the Council is moving towards a much stronger and sustainable financial position.

Revenue

Table 1 below shows a summary of the forecast revenue position for the year based on information arising from the period to 31 December 2024:

Table 1

Revenue	Approved budget 2024/2025	Forecast Outturn (Quarter 2)	Movement to current period (Quarter 3)	Forecast Outturn (Quarter 3)	Variance from Original Budget to Forecast 2024/2025
	£	£	£	£	£
Borough Spend	26,930,950	27,525,496	(801,216)	26,724,280	(206,670)
Financing	(24,731,820)	(25,017,420)	-	(25,017,420)	(285,600)
Contributions to/(from) General Fund Reserve	(2,199,130)	(2,508,076)	801,216	(1,706,860)	492,270

The council budgeted for a contribution from the General Fund Reserve of £2,199,130 to fund the net budget required this year. However, the current forecast position, taking into consideration Turnover savings is estimating that the requirement will be £1,706,860, a favourable movement of £492,270 against the original budget. This also represents a improving movement from the forecast at Quarter 2 of (£801,216).

The council have also committed to contributing £1,810,000 to the General Fund Reserve, to replenish funds used to pay the Pension Lump Sum. Taking the above into consideration, the estimated balance in the General Fund Reserve, as at 31 March 2025 is £8,700,840

Table 2 below shows a summary of the forecast capital position for the year based on information arising from the period to 31 December 2024:

Table 2

Capital	Rephased budget 2024/2025	Actual as at 31 December 2024	Spend Percentage
	£	£	%
Tier 1 – Major Projects	43,434,710	24,515,582	56.44
Tier 2 – Operational Schemes	5,263,870	3,664,672	69.62
Sub-Total	48,698,580	28,180,254	58.00
Tier 3 – Pipeline Schemes	232,500	0	0
Total Including Exempt	48,931,080	28,180,254	57.59

The Capital Programme 2023/2028 was approved at Council on 22nd February 2024. Work has been undertaken to review and rephase the Capital Programme following the Capital Outturn report for 2023/2024, which was reported to Cabinet on 30th July 2024. The updated Capital Programme is also now presented in a tier structure.

Whilst the work was being undertaken to introduce the tiered structure, some projects which fell under Tier 3 had already commenced. It is therefore asked that cabinet approve the movement of these projects into Tier 2, supporting transition to new procedures:

Project	Actual as at December 2024
Community Projects	£45,039
CCTV Safer Streets	£3,319
Exempt Scheme	£563,518

There are also three projects currently under Tier 3 which are ready to commence. It is therefore asked of cabinet to approve these projects, detailed below, into Tier 2 in line with the new procedures:

Project	Budget
Locker Replacement at Alive Oasis	£30,000
Lynnsport 1st Floor Toilet Refurbishment	£52,480
Replacement Play Area Equipment	£65,990
Grounds Maintenance Vehicles and Equipment	£497,000

A additional request for cabinet approval has been received to add a new project straight into Tier 2 due to an urgent need for 2025/2026. Further details can be found in appendix H and Appendix I.

Project	Budget
Forklift Truck	£15,000

If further information is required regarding this report, please do not hesitate to contact Carl Holland.

2. Revenue Budget 2024/2025

The budget for 2024/2025 was presented to Cabinet on 7th February 2024 and approved by Council on 22nd February 2024 in accordance with the process for approving the Medium-Term Financial Plan 2023/2028.

A summary of the budget position as at 31 December 2024 is shown below in Table 3. Further detail of the movements can be seen in Appendix A.

Table 3

Q3 Forecast Outturn Position	Full year budget 24/25	Forecast budget position 24/25	Forecast Variance 24/25
Service	£	£	£
Central Services	3,677,290	3,432,940	(244,350)
Chief Executive	55,000	55,000	-
Environment and Planning	2,274,260	2,372,030	97,770
Health Wellbeing and Public Protection	1,120,410	682,310	(438,100)
Legal, Governance and Licensing	1,040,280	1,083,920	43,640
Leisure and Community Facilities	2,428,740	2,451,620	22,880
Operations and Commercial	2,484,690	2,220,900	(263,790)
Programme and Project Delivery	(195,370)	(160,290)	35,080
Property and Projects	(1,366,970)	(1,522,350)	(155,380)
Regeneration Housing & Place	1,501,480	1,590,770	89,290
Resources	8,478,870	8,913,070	434,200
Financing Adjustment	1,929,380	1,929,380	-
Internal Drainage Boards	3,502,890	3,509,980	7,090
Borough Spend	26,930,950	26,559,280	(371,670)
Contributions to/(from) General Fund Balance	(2,199,130)	(1,541,860)	657,270
Borough Requirement	24,731,820	25,017,420	285,600
Revenue Support Grant	(1,015,160)	(1,015,160)	-
Rural Service Delivery Grant	(628,540)	(628,540)	-
New Homes Bonus	(338,620)	(338,620)	-
Other Government Grants	(710,460)	(964,460)	(254,000)
Business Rates	(14,064,600)	(14,064,600)	-
Council Tax	(7,974,440)	(8,006,040)	(31,600)
Total Funding	(24,731,820)	(25,017,420)	(285,600)
Funding Position	-	-	-

Turnover savings

The turnover saving target is the savings anticipated from a service's ability to hold a position vacant for a short time following an employee leaving. Savings in some posts cannot be achieved due to the critical need to have that post filled promptly to maintain timely service provision. As a result, savings are offset by cost of temporary/agency staff, overtime, and costs of recruitment.

The budgeted turnover savings for 2024/2025 are £1,000,000. The 2024/2025 Cost of Living award was paid in the December payroll meaning a more accurate Turnover Savings calculation could be prepared for Q3, shown below:

Table 4

	Estimated Outturn £
Salaries	21,286,300
Actual cost of recruitment, agency, consultants and professional fees April to December	1,340,190
Estimated cost of recruitment, agency, consultants and professional fees January to March	803,170
Agreed amounts funded from T/Over savings	125,950
Total estimated costs for year	23,555,610
2024/2025 budget	25,385,900
Turnover Savings target	(1,000,000)
Savings over target	(830,290)

At this stage of the year assumptions for recruitment to vacant posts is estimated for the final quarter of the year along with the impact for reliance on costs of backfilling those vacant posts.

Through determining the current forecast, it is anticipated that the Council will meet the turnover savings target and be in a surplus position.

3. Capital

The Capital outturn for 2023/2024 was presented to Cabinet on 30 July 2024. The report provided the updated Capital Programme based on the outturn position of 2023/2024. The report set out a number of amendments and rephasing of balances, which led to an update to the original budget for 2024/2025 and a revised profile of budgets up to and including 2027/2028. This work has since been undertaken and is reflected in the breakdown below

A summary of the position as of 31 December 2024 for the capital programme is shown below in Table 5. A further breakdown of the capital programme is included in Appendix B

Table 5

Capital	Approved budget 2024/2025	Rephased Budget 2024/2025	Actual to 31 December 2024	Spend %
	£	£	£	
Tier 1 Major Projects				
Enterprise Zone (Property and Projects):	2,024,360	912,690	418,111	45.81%
Major Housing Development (Companies and Housing):	26,683,470	20,830,250	18,135,285	87.06%
Other Major Projects	17,788,270	21,691,770	5,962,186	27.49%
Total Tier 1	46,496,100	43,434,710	24,515,582	56.44%
Tier 2 Operational Schemes				
Health, Wellbeing & Public Protection	2,210,000	2,210,000	1,273,515	57.63%
Leisure and Community Facilities:	75,000	539,730	665,214	123.25%
Operational and Commercial:	1,271,760	1,212,590	881,909	72.73%
Programme and Projects:	-	50,000	42,615	85.23%
Property and Projects:	345,000	74,170	116,399	156.94%
Resources:	308,740	517,380	121,503	23.48%
Subtotal	4,210,500	4,603,870	3,101,155	67.36%
Tier 2 Exempt Schemes				
Exempt Schemes	2,102,960	660,000	563,517	85.38%
Subtotal	2,102,960	660,000	563,517	85.38%
Total Tier 2	6,313,460	5,263,870	3,664,672	62.12%
Sub- Total Live Schemes	52,809,560	48,698,580	28,180,254	57.87%

Capital	Approved budget 2024/2025	Rephased Budget 2024/2025	Actual to 31 December 2024	Spend %
	£	£	£	
Tier 3 Operational Schemes				
Health, Wellbeing & Public Protection	30,000	-	-	-
Leisure and Community Facilities:	499,480	123,000	-	-
Operational and Commercial:	388,440	65,000	-	-
Property and Projects:	308,500	44,500	-	-
Regeneration, Housing & Place:	121,060	-	-	-
Total Tier 3	1,347,480	232,500	-	-
Total Capital Programme	54,157,040	48,931,080	28,180,254	57.59%

4. Reserves

The main reasons the Council holds reserves are to :

- Manage known financial risks.
- Hold funding as one-off contributions to expenditure, allowing ongoing revenue budget reductions.
- Manage timing difference between the receipt of funding and actual spend.
- Hold ring-fenced funds such as specific grants.

As reported to Council in February 2024, the budget set out an estimated contribution from the General Fund Reserve of £2,199,130. Table 6 below shows the estimated impact to the General Fund Reserve balance based on the current forecast position:

Table 6

Projected Movements in General Fund Reserve Balance	2024/2025 £
Revised balance brought forward 1 April 2024 (following 23/24 audit)	8,597,700
Estimated contribution to/(from) General Fund Reserve	(1,706,860)
Pension lump sum replenishment	1,810,000
Projected General Fund Balance 31 March 2025	8,700,840

The General Fund Reserve Balance is used to support the revenue budget as set out in the Medium-Term Financial Plan. However, the council also holds various earmarked reserves which are held for specific purposes. The following table (Table 7) shows the budgeted movements to/(from) earmarked reserves and provides notes in respect of any in year movements against these reserves for the period to 31 December 2024.

Table 7

Reserves	Opening balance 1 April 2024	Budgeted movements To/(From) Revenue	Capital Transfers	In year movements To/(From) Revenue	Note	Forecast Outturn Balance 31 March 2025
Ring Fenced Reserves						
Amenity Areas	(37,740)	-		(12,000)	1	(49,740)
Capital Programme Resources	(811,688)	520		36,076	2	(775,092)
Collection Fund Adjustment Reserve	(4,846,972)	-		-		(4,846,972)
Grants Reserves	(1,804,883)	133,860		82,303	3	(1,588,720)
Holding Accounts	(429,097)	-		-		(429,097)
Other	(113,853)	(130,000)		86,150	4	(157,703)
Planning Reserves	(377,560)	(41,370)		256,810	5	(162,120)
Repairs and Renewal Reserves	(544,290)	(17,940)		-		(562,230)
Ring Fenced Reserves	(5,981,802)	(267,310)		(740,931)	6	(6,990,043)
Educational Skills Attainment	-	80,000		-		80,000
Sub Total	(14,947,885)	(242,240)	-	(327,772)		(15,517,897)
Risk Management						
Capital Programme	(64,413)	-		-		(64,413)
Holding Accounts	(30,003)	-		-		(30,003)
Insurance	(156,869)	(61,470)		-		(218,339)
Planning Reserves	(22,947)	-		-		(22,947)
Ring Fenced Reserves	(45,155)	-		-		(45,155)
Sub Total	(319,386)	(61,470)	-	-		(380,856)
Service Delivery						
Capital Programme Resources	(3,987,562)	201,430		(544,748)	7	(4,330,880)
Climate Change Strategy	(716,696)	202,000		-		(514,696)
Grants Reserves	(1,827,523)	(42,000)		76,029	8	(1,793,494)
Holding Accounts	(2,348,444)	57,000		23,530	9	(2,267,914)
Planning Reserves	-	36,180		(36,180)	10	-
Project Reserves	(4,457,012)	-		32,550	11	(4,424,462)
Repairs and Renewal Reserves	(1,280,074)	(16,640)		(15,704)	12	(1,312,418)
Restructuring Reserve	(270,928)	-		-		(270,928)
Ring Fenced Reserves	(139,908)	100,000		(100,000)	13	(139,908)
Sub Total	(15,028,149)	537,970	-	(528,343)		(15,018,522)
Grand Total	(30,295,420)	234,260	-	(856,115)		(30,917,275)

The above table shows various movements to the reserves in year:

Budgeted Movements to/from reserves total £234,260: Movements to/from reserves which were included within the approved budget

Capital transfers total £nil: This is where funds have been transferred to capital projects in year.

In year movements to/from revenue total £856,115: This balance accounts for other movements to and from reserves during the year of £212,584 as well as additional transfers to reserves following the presentation and approval of the outturn report for 2023/24 to Cabinet on 30 July 2024 of £643,531. Further detail on these is set out below.

Notes to Reserves movements

Ring Fenced Reserves:

Note 1 – Amenity Areas

(£12,000) additional transfer to reserves following 2023/24 outturn position to fund future maintenance of Play Areas.

Note 2 – Capital Programme Resources

(£36,076) transfer to reserves due to a discrepancy in the historic rent deposits reconciliation – this reserve will be drawn upon if any further discrepancies are identified

Note 3 – Grant Reserves

(£34,140) correction to budgeted reserves transfer for Homes for Ukraine. Excess grant income was advanced at year end into revenue, opposed to being transferred to reserves. Therefore there is no reserve balance to draw down on for 24/25 as the income is already within revenue under the relevant cost centre.

(£18,240) forecast reduction to budgeted transfer from reserves for Housing staff due to Homelessness Prevention Grant being utilised

£50,000 transfer from reserves to cover the 24-25 MARMOT initiative project cost

£42,552 transfer from reserves of remaining COMF funding to cover funded staff posts

£43,242 transfer from reserves to cover Q3 cost of Purfleet services under Rough Sleeper Initiative due to gap in funding

(£1,110) removal of original budget for reserves transfer for CCTV recharge under Domestic Abuse – this is covered in year by grant income

Note 4 – Other

£86,150 reduction to transfer to reserves for Habitat Regulations due to anticipated reduction in income as scheme moving to county

Note 5 - Planning Reserves

£40,000 reduction to budgeted transfer to reserves for planning fees (20%), due to fewer/smaller planning applications being submitted.

£6,000 transfer from reserves to cover the cost of monitoring equipment under Air Quality

£174,630 anticipated transfer from reserves to cover the cost of agency staffing in planning

£36,180 Budgeted contribution toward the Local plan funded from Ring Fenced Planning Reserve until Service Delivery Reserve is funded.

Note 6 – Ring Fenced Reserves

£30,740 transfer from Tourism reserve to cover the cost of delayed marketing campaigns, due to capacity issues within the department – amounts were set aside in 2023/24 to enable these campaigns to be delivered in 2024/25.

£4,000 transfer from reserve to cover the cost of Your Local Paper Local Heroes Awards.

£12,309 transfer from Pelicans reserve due to credit notes being issued in year for works done, which were previously transferred to reserves

(£764,980) anticipated net movement in CIL reserve to reflect in year activity

(£23,000) transfer to reserves of Section 106 contributions received in year

Service Delivery:**Note 7 – Capital Programme**

(£186,540) reduction to budgeted transfer to reserves for ICT, following review of cabinet report regarding funding.

(£300,000) additional transfer to reserves following 2023/24 outturn position to fund condition surveys for Councils commercial properties.

(£100,000) additional transfer to reserves following 2023/24 outturn position to cover additional resurfacing costs of the current 3G pitch at Lynnsport.

(£50,000) additional transfer to reserves following 2023/24 outturn position to fund technological, mobile communications and working solutions for non office based staff at the Depot.

(£100,000) additional transfer to reserves following 2023/24 outturn position to increase Disabled Facilities capital fund. This fund will help reduce the waiting list for assessments and keep residents safe within their homes by providing necessary facilities and adaptations.

(£748) transfer to cover debit balance on reserve following Year end 31 March 2024 close down

£33,600 transfer from reserve to cover the cost of Agency staff within Property Services

£158,940 transfer from reserves to cover Coastal Flood Defence repair costs

Note 8 – Grants Reserves

(£6,531) additional transfer to reserves following 2023/24 outturn position to transfer residual Department for Work and Pensions grant funding for future use.

£73,000 transfer from reserves required for Neighbourhood Planning due to increased costs due to the number of Neighbourhood plans and referendums in year. There has also been a reduction in income due to three plans being expected instead of the budgeted four plans

£9,200 transfer from reserve to cover the cost of Ascendant Software renewal

£360 transfer from reserves to cover cost of Subsidy training under Revenues and Benefits

Note 9 – Holding Accounts

£12,000 transfer from reserve to cover additional training costs which were initially planned for 2023/24.

£13,000 transfer from reserve to cover the cost of the Cultural Strategy – amount was put to reserves in 2023/24 to cover cost in 2024/25.

(£30,000) additional transfer to reserves following 2023/24 outturn position to fund planning guidance for waste collection services on new developments.

£4,140 transfer to cover the cost of the Housing Needs Strategy incurred to date

£6,000 transfer from reserves to cover the cost of Hunstanton Bus Station development strategy

£18,390 transfer from reserves to cover the cost of the Employee Opinion Survey

Note 10 – Planning Reserves

A budgeted contribution towards provision of Local Plan activity of £36,180 is to be funded from the Ring Fenced Planning Reserves in til service delivery reserve is funded.

Note 11 - Project Reserves

£32,550 transfer from reserve to cover the cost of the Leisure facility review

Note 12 – Repairs and Renewals

(£45,000) additional transfer to reserves following 2023/24 outturn position to fund pathway drainage and cremator repairs at the Crematorium.

(£704) transfer to cover debit balance on Pools repair reserve following Year end 31 March 2024 close down

£30,000 transfer from resort reserve to fund the resurfacing and fencing work required to the hard courts in Hunstanton

Note 13 – Ring Fenced Reserves

£100,000 forecast change to budgeted reserves transfer for Developmental Control as no longer required due to professional fees costs lower than anticipated

5. Age Debt Analysis

The effective management and collection of debt is an essential contributor to the councils' financial resources. Debt recovery levels can be volatile and at risk especially when there is economic financial instability. This was heightened originally under the pandemic but also the inflationary and other wider cost of living impacts that have emerged since then continue to impact livelihoods and businesses. However, current monitoring is not indicating a material impact for the council on debts in arrears.

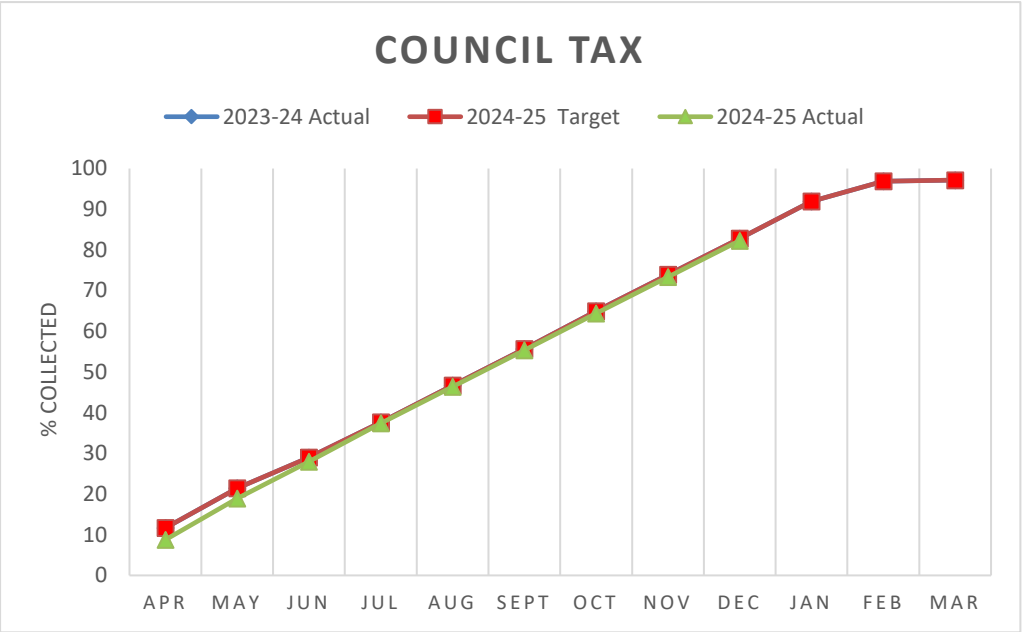
The following information can be found in Appendix C

- Age debt comparison for 2023/2024 to 2024/2025 as at 31 December 2024
- Housing Benefit Recovery Payments

6. Council Tax and Business Rates

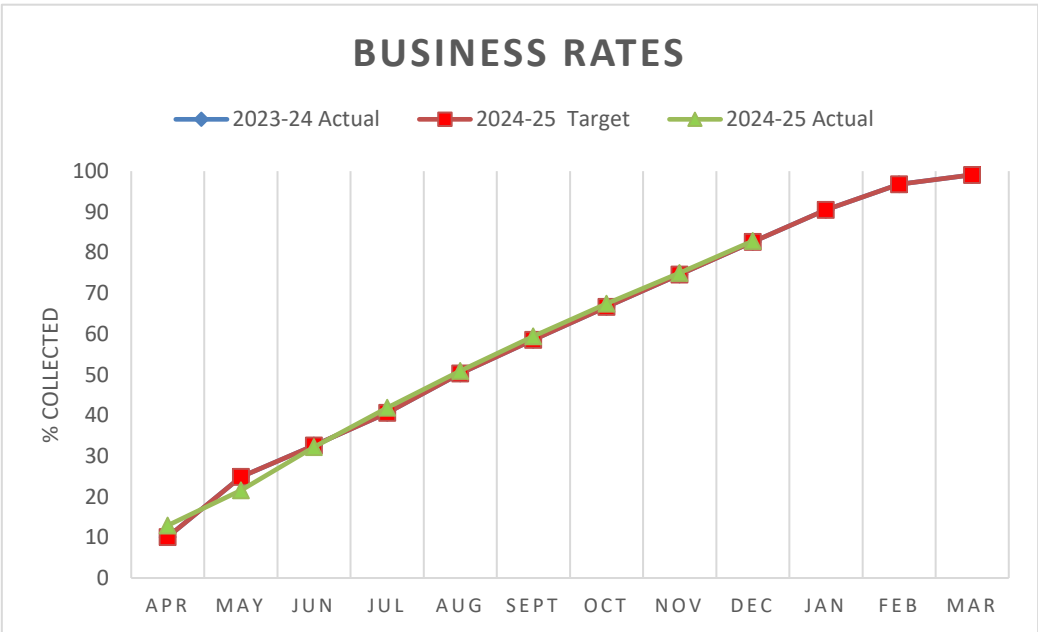
As of 31 December 2024, 82.29% of council tax has been collected against the target of 82.84% which was the percentage the same time last year. See Chart below with comparison.

Table 8



82.85% of business rates has been collected against the target of 82.62%, which was the percentage the same time last year. See chart below with comparison.

Table 9

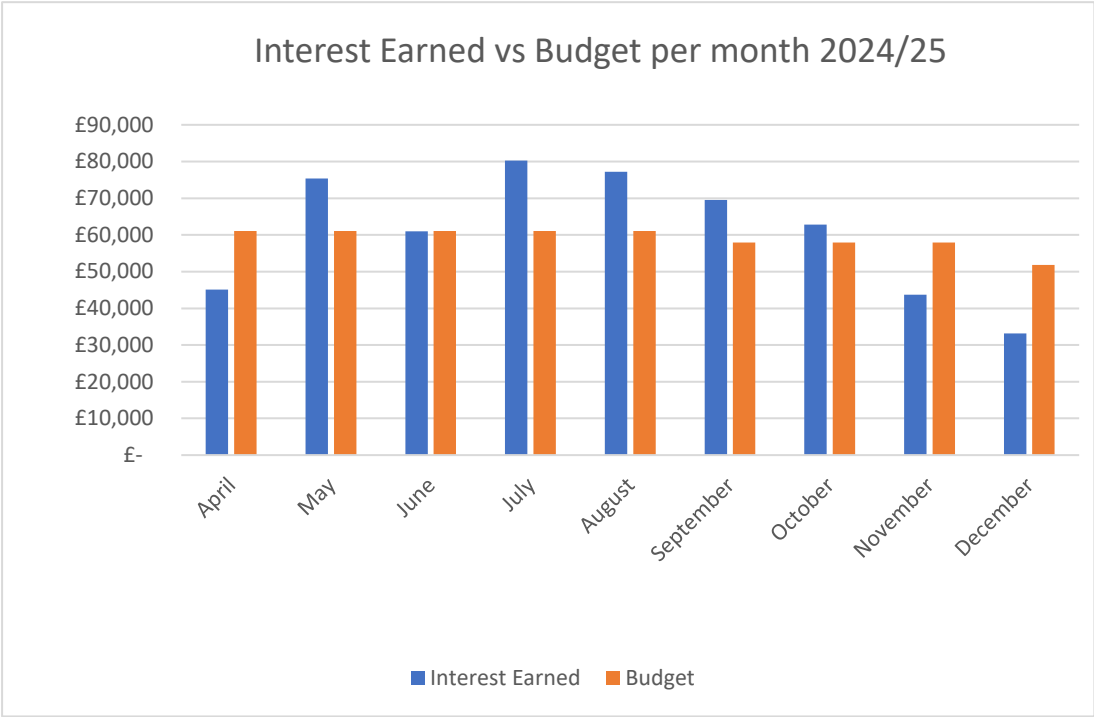


7. Treasury management 2024/2025

The “Treasury Management Strategy Statement and Annual Investment Strategy 2024/2025” was approved by Council on 22 February 2024. The Council’s Treasury Management Strategy will be updated as appropriate for any changes made to the code of practice by CIPFA.

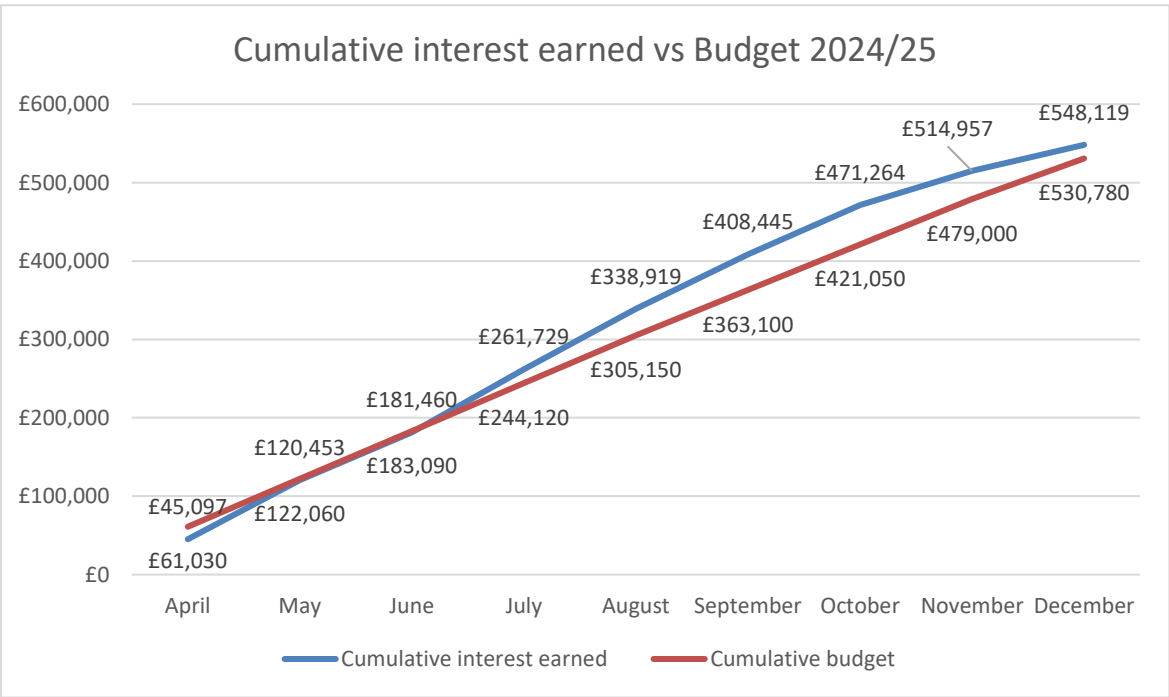
The graph below compares the interest earned each month to the forecasted budget:

Table 10



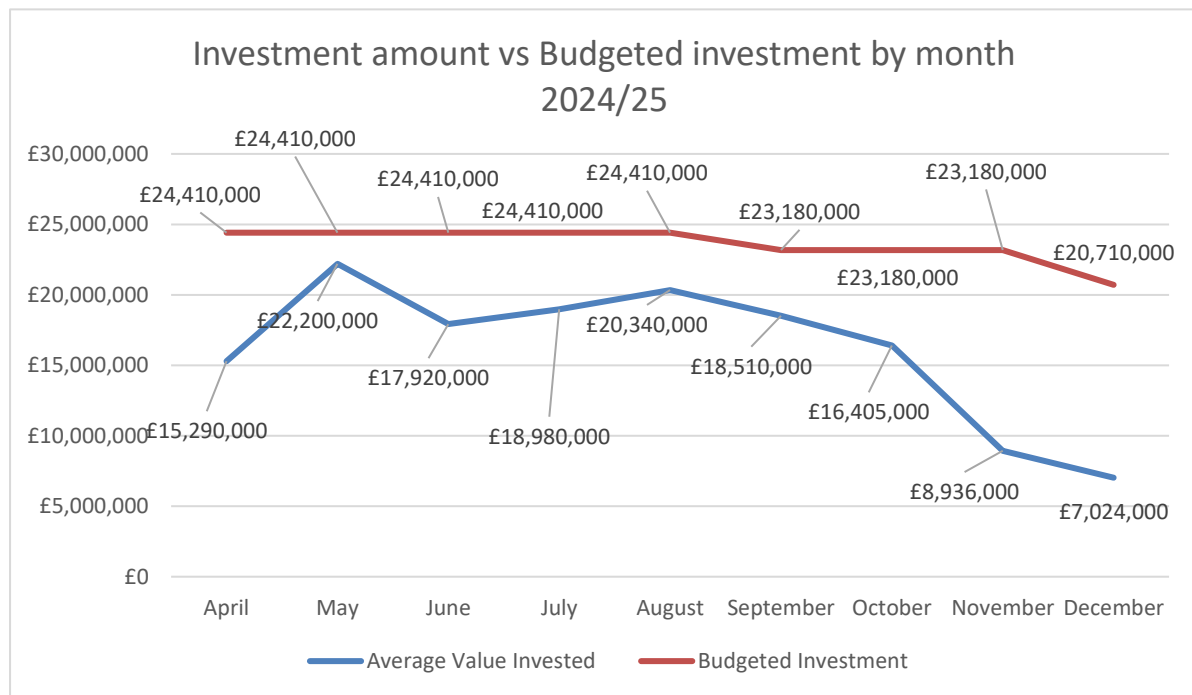
The graph below compares the cumulative interest earned and forecasted budget:

Table 11



The graph below compares the average value invested each month to the forecasted budget:

Table 12



The below tables update on movements in borrowing and investments during the period:

Loans

Table 13

Institution	Principal £	Rate %
Short Term borrowing		
Middlesbrough Teeside Pension Fund	3,500,000	5.000%
Middlesbrough Teeside Pension Fund	3,000,000	5.200%
Total Short Term	6,500,000	
Barclays	5,000,000	3.810%
Barclays	5,000,000	3.810%
Total Long Term	10,000,000	
Total Borrowing	16,500,000	

Investments

Table 14

Institution	Principal £	Rate %
LGIM - MMF	3,850,000	4.770%
Total Money Market Fund Investment	3,850,000	
Barclays FIBCA	2,100,000	4.250%
South Ayshire Council	4,000,000	5.650%
Total Other Investments	6,100,000	
Overall Investments	9,950,000	

8. Conclusion

The primary objective of this report is to monitor service area performance against allocated budgets and to consider variances to the budget figure in the light of current circumstances.

Careful budgetary control throughout the year ensures that resources are applied as planned, fulfilling the goal to secure the long-term economic future of the borough. Budgetary control is applied in a consistent manner across all budgets, and individual decisions to be taken during the financial year are reviewed for impact on a case-by-case basis before they are taken, so that any identified impact can be considered and taken into account at the appropriate time.

The content of this budget monitoring report is designed to enable councillors and senior officers to see the financial position of the Council as a whole, as required by the Local Government Act.