

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	(a) Be entirely within Cabinet's powers to decide	YES	
None	Operational	(b) Need to be recommendations to Council	NO	
		(c) Be partly for recommendations to Council and partly within Cabinet's powers –	NO	
Lead Member: Councillor Chris Morley E-mail: cllr.chris.morley@west-norfolk.gov.uk		Other Cabinet Members consulted: All Cabinet		
		Other Members consulted:		
Lead Officer: Carl Holland E-mail: carl.holland@west-norfolk.gov.uk Direct Dial: 01553 616432		Other Officers consulted: Senior Leadership Team, Service Managers.		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications (incl S.17) YES	Equal Opportunities Implications NO	Risk Management Implications YES

Cabinet Date: 24 July 2025

REVENUE OUTTURN 2024/2025

Summary

The report sets out in summary the revenue outturn for 2024/2025 for the Council. The report shows details of the major differences between actual costs/income compared to the revised estimates for 2024/2025 reported in the January 2024 financial monitoring.

	Original Budget 2024/25	Revised Budget 31 December 2024	Outturn 31 March 2025	Variance to Revised Budget
	£	£	£	£
Borough Spend	26,930,950	26,007,130	26,658,577	651,447
Financing	(24,731,820)	(24,731,820)	(24,985,813)	(253,993)
Contributions (to)/from General Fund Balance	2,199,130	1,275,310	1,672,764	397,454

The accounts show the Borough's spend for the financial year 2024/25 of £26.66m, which is (£651k) above the revised budget for the year. The budget was revised during the year to recognise the savings achieved towards the salary efficiency target earlier in the year.

Throughout the year there was significant uncertainty and variation to the budget as reported in the budget monitoring report:-

- largely as a result of growing inflation on cost of supplies.
- Less than estimated planning fee income.
- Additional income from car parking provision.

The Council's continuing strategy is to identify budget savings in year, as part of the monitoring process and when setting the Medium-Term Financial Strategy in February each year. The Council included saving proposals in the Medium Term Financial Strategy

approved in February 2025. This includes £3.47m for 2025/2026 and will review the funds that are earmarked for future risks and projects to consider if those reserves can be reallocated where appropriate to better support the Councils priorities.

The General Fund Reserve opening balance for 2024/2025 was £8,597,700. Following movements within the financial year, the balance is increased to £8,734,936 at the year-end which will be the starting position for 2025/2026. However, it is recommended that £526,366 is transferred from the General Fund Reserve to earmarked reserves to fund work imperative to the future economic plans and to meet a statutory planning requirement of the Borough. If approved this would reduce the opening balance of the General Fund Reserve for 2025/26 to £8,208,570. More detail on the movements in year can be seen at section 3.

Recommendation

It is recommended that Cabinet approves:

1. The draft revenue outturn position for 2024/2025 (section 2)
2. Review and agree the new transfers to earmarked reserves as stated in para 2.3.
3. Review and agree the amendments to the Earmarked Reserves Policy (Section 4).

Reason for Decision

To consider and approve the draft revenue outturn position for 2024/2025 for the Council.

1 Introduction

- 1.1 This report sets out the draft revenue outturn position for 2024/2025, the details of which, once finalised, will be used to inform the Statement of Accounts for the year.
- 1.2 Under Accounts and Audit Regulations 2015, Regulations 14 & 15 and the Local Audit and Accountability Act 2014 we are required to:
 - Publish draft accounts by 30 June 2025
 - Public inspection period to start on or before the first working day of July 2025
- 1.3 The Council is still impacted by the national local audit backlog affecting England and Wales. The Government have been key to amending legislation to facilitate a concerted effort across all local government and local audit partners to recover from the backlog. Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog. This has been seen a backstop date set of 27 February 2026 for the publication of audited accounts for local authority accounts 2024/2025.
- 1.4 For its part, the Council's Finance Services function has been working extremely hard to meet with the revised deadlines for the audit backstop dates. As a result, in January 2025, the Cabinet accepted and published its Audited Accounts for 2023/2024.
- 1.5 We continue to monitor closely and work with supporting partners such as the Pensions Actuary and Asset valuations supplier, to provide a robust statement of accounts for the subsequent audit.

2 Outturn 2024/2025

2.1 The following table shows:

- the approved budget for 2024/2025 as approved by Council on 22 February 2024.
- Revised budget as reported in the December 2024 Monitoring Report, published 15 April 2025.
- The draft outturn position for 2024/2025
- The variance column shows the (surplus)/deficit comparing the Revised Budget monitoring position to the draft 2024/2025 outturn position.

	Original Budget Approved by Council	Revised Budget	Draft outturn 2024/2025	Variance from revised budget	Notes
Central Services	3,713,440	3,396,440	3,338,181	(58,259)	3.1
Chief Executive	55,000	55,000	54,121	(879)	
Environment & Planning	2,252,800	2,023,930	2,303,733	279,803	3.2
Health, Wellbeing and Public Protection	2,643,790	2,287,000	2,336,259	49,259	3.3
Legal, Governance & Licensing	848,580	1,036,630	1,080,147	43,517	3.4
Leisure & Community Facilities	2,428,740	2,431,820	2,379,519	(52,301)	3.5
Operations & Commercial	2,484,690	2,148,080	1,444,720	(703,360)	3.6
Programme and Project Delivery	(195,370)	(163,790)	(336,213)	(172,423)	3.7
Property & Projects	(1,366,970)	(1,515,580)	(1,463,454)	52,126	3.8
Regeneration, Housing & Place	1,501,480	1,613,090	1,530,355	(82,735)	3.9
Resources (S151 Officer)	8,907,340	9,037,080	10,571,059	1,533,979	3.10
Cost of Services	23,273,520	22,349,700	23,238,428	888,728	
Financing Requirement	154,540	154,540	(89,830)	(244,370)	3.11
Internal Drainage Board	3,502,890	3,502,890	3,509,979	7,089	
Borough Spend	26,930,950	26,007,130	26,658,577	651,447	
Contributions to / (from) Reserves	(2,199,130)	(1,275,310)	(1,672,764)	(397,454)	
Borough Requirement	24,731,820	24,731,820	24,985,813	253,993	
New Homes Bonus	(338,620)	(338,620)	(338,621)	(1)	
Rural Services Delivery Grant	(628,540)	(628,540)	(628,535)	5	
Revenue Support Grant	(1,015,160)	(1,015,160)	(1,015,160)	0	
Other Government Grants	(558,760)	(558,760)	(812,757)	(253,997)	3.12
Council Tax	(7,974,440)	(7,974,440)	(7,974,440)	0	
Business Rates	(14,164,650)	(14,164,650)	(14,164,650)	0	
Collection Fund Surplus	(51,650)	(51,650)	(51,650)	0	
Grand Total	(24,731,820)	(24,731,820)	(24,985,813)	(253,993)	

- 2.2 Over the year ending 31 March 2025, service managers have continued to look for opportunities to produce in year budget savings. These savings have been reported as part of the quarterly monitoring process and where possible built into the Medium-Term Financial Strategy approved by Council on 27th February 2025.
- 2.3 The budget approved by Council in February 2024 included an estimated transfer from General Fund Reserve Balances of £2,199,130. This contribution from the General Fund Reserve is reduced to £1,672,764 in the draft outturn leaving an unused balance of £526,366. In light of emerging obligations and priorities, officers have proposed this unused balance be transferred to earmarked reserves to support emerging priorities, specifically, to support the cost of developing a statutory Local Plan (£526,366).
- 2.4 The notes in section 3 of this report detail the movement from the original budget approved in February 2024 to the outturn position resulting in a net increase to the General Fund Reserve from £8,597,700 to £8,734,936. If the additional contributions to earmarked reserve set out in paragraph 2.3 of this report are approved, this will reduce the draft General Fund Reserve Balance, by £526,366 to £8,208,570.
- 2.5 The 2024/2025 outturn is within the original approved budget set by council in February 2024 and allows the Council to set aside funds for future demands in addition to carrying forward a General Fund Reserve balance that is higher than originally estimated. However, it should be noted that, due to uncertainty on the increasing rate of inflation and any proposal to reform Local Government funding there will be ongoing funding uncertainty for Local Government future year budgets as well as the council's financial position throughout 2024/2025. The situation will be closely monitored and reported accordingly to inform on any decisions that may be required.

3. Major differences between the revised estimates and the actual costs

The following pages show the major differences between the revised estimates and the actual costs. Under each budget heading the format shows "Movements to be explained", which are outlined as major variances and explained in the narrative that follows.

Detailed transfers between reserves

Paragraph 2.3 sets out proposed transfer to reserves for emerging operations.

The following table shows the movements in the General Fund Reserve to arrive at the balance to be brought forward to 2024/2025.

Projected Movements in General Fund Balances	2024/2025 £
Balance brought forward 1st April 2024	8,597,700
Contribution to GF (pension)	1,810,000
Contribution from GF (earmarked Reserves)	(1,672,764)
Projected General Fund Balance 31st March 2025	8,734,936

If the additional contributions to reserves are approved as set out in paragraph 2.3 the year-end General Fund Reserves balance will be as follows.

Projected Movements in General Fund Balances	2024/2025 £
Balance brought forward 1st April 2024	8,597,700
Contribution to GF (pension)	1,810,000
Contribution from GF (earmarked Reserves)	(1,672,764)
Contribution to/(from) Balances	(526,366)
Projected General Fund Balance 31st March 2025	8,208,570

The Financing Adjustment includes a charge for Minimum Revenue Provision funding of unsupported borrowing and receipts for interest from Capital loans. These items deal with accounting requirements that show capital items being recorded as revenue spending. There is no impact on the accounts of the Council or Council Tax as the charges are reversed out as part of the Financing Adjustment. Appendix 1 provides a further explanation.

3.1 CENTRAL SERVICES – Surplus (£58k)

	Movements to be explained:	£'000
1	Communications Income from provision of external printing services higher than budgeted (£19k). Net saving in running costs and supplies (£24k).	(43)
2	Member Allowances Greater use of communications technology has further reduced need for travelling expenses.	(14)
3	Other Minor Variances	(1)
	Surplus	(58)

3.2 ENVIRONMENT AND PLANNING – Deficit £280k

	Movements to be explained:	£'000
1	Back Office Underspend on employee costs primarily due to vacant posts (£18k). Additional recharges to other internal services in relation to postage (£20k). Below budget spend on other miscellaneous supplies and maintenance of scanning and printing equipment (£2k).	(30)
2	Development Control Income from planning fees is below budget £405k, government increased fees later than anticipated during the year. A budget for income had been created for a debt that had already been paid in advance creating a shortfall in the current year of £64k. Enforcement action on various sites resulted in an overspend of £22k. Other minor variances (£5k)	486
3	Flood Defence Impacts of storms on coastal defences has resulted in higher unplanned maintenance costs and geotechnical survey works. The additional costs have been funded by reserves and a grant, resulting in costs being funded by an additional (£48k).	(48)
4	Planning Policy Unbudgeted Grant from Defra toward Ecology study costs (£85k) Fewer neighbourhood planning referendums than budgeted (£28k) Other minor variances (£12k)	(125)
5	Other Minor Variances	(3)
	Deficit	280

3.3 HEALTH WELLBEING & PUBLIC PROTECTION – Deficit £49k

	Movements to be explained:	£'000
1	Careline Net costs of service higher than budgeted after additional grant (£32k) and increased rental income (£14k).	113
2	Community Safety Favourable variance arising from less need for overtime and travel costs.	(15)
3	Food Hygiene Lower than budgeted costs for agency staffing (£22k) and higher than budgeted income from export licences, due to demand for service (£7k).	(29)
4	Housing Standards Grant received for employee costs (£10k) Cost for service provision reduced by (£9k).	(19)
5	Other Minor Variances	(1)
	Deficit	49

3.4 Legal, Governance and Licensing – Deficit £44k

	Movements to be explained:	£'000
1	Legal Services External Legal costs for defence of planning and legal claims.	60
2	Licences Net variance on licensing income - more applications received for gambling licences and temporary events.	(16)
	Deficit	44

3.5 Leisure and Community Facilities – Surplus £52k

	Movements to be explained:	£'000
1	King's Lynn Arts Centre Extensive repairs to Electrical services £26k. Commission and staffing charges £50k from AWN	82
2	Leisure and Culture Savings on utilities across all sites (227k). Maintenance overspends on leisure managed by AWN £135k. Increase in insurance premiums 24k	(69)
3	Leisure and Culture Management Expected management fee from year end position of AWN.	(98)
4	Town Hall, Stories of Lynn and Custom House Reduction in income from Town Hall bookings from due to lower cost option of wedding ceremony only service £16k. Town Hall repairs costs in excess of budget due to electrical compliance works £10k. Increase in insurance premium £4k.	33
	Surplus	(52)

3.6 Operations and Commercial – Surplus (£703k)

	Movements to be explained:	£'000
1	Car Parking King's Lynn and West Norfolk Replacement event equipment £22k in addition to grant funding. Increases in rent and rates £17k. Above budgeted income from car parking service provision (£636k)	(597)
2	CCTV Unbudgeted income from services to third parties (£62k). Saving from running costs (£43k) following cessation of contract for CCTV services with third party.	(105)
3	Crematorium and Cemeteries Major repairs to cremators within overall directorate £275k. Additional premises costs £25k. Lower than anticipated net income from cremations £35k.	335
4	Depots Unbudgeted premises costs whilst services are run across two depots.	63
5	Parks, Sports Grounds and Open Spaces Increased grounds maintenance services to and funding from third parties.	(104)
6	Refuse and Recycling Changes to service demand and regulation resulting in reduced costs of disposal (£80k) and increased income from garden and trade waste (£127k)	(207)
7	Resort Higher rental income related to increased footfall and additional income following rent reviews for commercial premises.	(104)
8	Other Minor Variances	16
	Deficit	(703)

3.7 Programme and Project Delivery – Surplus (£172k)

	Movements to be explained:	£'000
1	Corporate Projects Staff costs that are funded by capital.	(145)
2	Housing Subsidiaries Net increase in income from West Norfolk Property after lease renewal and legal costs.	(27)
	Deficit	(172)

3.8 Property and Projects – Deficit £52k

	Movements to be explained:	£'000
1	General Properties Lower than budgeted premises spend on business rates and utilities (£27k.) Reduced cost from service providers in maintenance of ditches (£38k).	(65)
2	Industrial Units Net effect of below budgeted spend on responsive repairs and increased income following rent reviews.	(69)
3	Offices Increased premises costs to cover office cleaning, business rates, urgent lift maintenance £65k. Review of service charges provision, additional £33k transfer to reserves. Other unplanned maintenance £8k.	106
4	Shops and Offices Unrecoverable rent across properties £71k. Cost of business rates on empty property £6k.	76
5	Other Minor Variances	4
	Deficit	52

3.9 Regeneration, Housing and Place – Surplus (£83k)

	Movements to be explained :	£'000
1	Economic Regeneration Potential grant funding contribution not received towards to Town Deal revenue spend.	71
2	Guildhall and Arts Arts initiatives budget not fully utilised in year (£12k). Grant funding received towards employee costs (£12.8k)	(25)
3	Housing Options Income from Homechoice listings has risen due to increased availability of third party housing stock (£72k). Overtime budget retained but not required - removed in future budgets (£10k). Homeless Prevention Grant received towards homelessness prevention fund costs (£110k)	(194)
4	Housing Strategy Costs towards West Winch growth £212k. Income from rental properties at West Norfolk Housing Company (£81k).	131
5	Tourism Savings from reduced staffing (£26k) and reduced spend on tourism promotion activities (£39k).	(65)
6	Other Minor Variances	(1)
	Surplus	(83)

3.10 Resources – Deficit £1.553m

	Movements to be explained :	£'000
1	Corporate Costs and Provisions External Audit Fees £280k Provision for Bad Debts £567k Below budgeted spend on overtime (£24k) Below budgeted spend on recruitment (£18k)	805
2	Financial Assistance Lower than budgeted disbursement of grants.	(33)
4	ICT Underspend in comparison to budget for Computer hardware, software and telephone communications (£135k), mitigating the budget error previously reported in relation to licensing costs of £183k.	48
5	Revenues and Benefits Cost of Housing Benefit payments after receipt of subsidy £732k. Reduced provision for debt write-offs (£38k).	694
6	Other Minor Variances	19
	Deficit	1,533

3.11 Financing Adjustment – Surplus (£244k)

Interest income receivable from West Norfolk Housing Company was higher than budgeted, as leases are updated (£89k). The Capital Programme incurred less spend than budgeted for 2024/2025, which resulted in a lower than budgeted charge for Minimum Revenue Provision by (£112k). Interest received on Treasury Investments was higher than budgeted but offset by higher borrowing costs, resulting in a net higher than budgeted return from treasury investment of (£43k).

3.12 Grants

Additional grant funding has been distributed from MHCLG for Internal Drainage Board levies to help the increase in IDB levies due to the unprecedented rising in costs. £254,000 has been paid to King's Lynn and West Norfolk as a recognition of the difficult circumstances affecting local authorities. A further allocation has been agreed for 2025/2026, but the allocation has not yet been specified. There is still no certainty for future years beyond 2025/26.

3.13 Turnover Saving

The budget for turnover savings is based on the savings anticipated in the time it takes to recruit to a vacant position 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 staff, overtime and costs of recruitment. The budgeted turnover saving for 2024/2025 is £1,000,000.

	Original Budget	Outturn	Variance
Salaries	24,196,750	20,702,113	(3,494,637)
Recruitment	203,640	119,584	(84,056)
Consultants fees	205,750	92,850	(112,900)
Professional Fees	518,380	1,242,696	724,316
Agency Fees	75,000	745,778	670,778
Turnover Target	(1,000,000)	0	1,000,000
	24,199,520	22,903,022	(1,296,498)

Taking other recruitment costs into account the net turnover savings achieved in 2024/2025 was £1,296,498, an over achievement of £296,498.

4. Amendments to the Earmarked Reserves Policy

- 4.1 The Council's policy on earmarked reserves states that the maximum balance to be held in each policy area is as set out in the table below:

Reserves Policy Area	Balance as at 31 March 2025 £'000	Current maximum balance to be held £'000	Proposed new maximum balance to be held £'000
Amenity Areas	52	300	300
Capital Programme Resources	4,671	8,500	8,500
Insurance Reserve	205	300	300
Restructuring Reserve	120	800	800
Repairs and Renewals Reserve	1,877	2,700	2,700
Holding Accounts	2,626	3,500	3,000
Ring Fenced Reserves	7,704	7,000	8,000
Climate Change Strategy	679	1,250	700
Planning Reserves	207	800	800

Reserves Policy Area	Balance as at 31 March 2025 £'000	Current maximum balance to be held £'000	Proposed new maximum balance to be held £'000
Grants Reserves	3,583	4,800	4,800
Collection Fund Adjustment Reserve	4,154	7,000	7,000
Projects Reserve	4,265	4,400	4,400
Other Total	8	200	200
	30,151	41,550	41,500

4.2 It is proposed to amend the earmarked reserves policy balance for the following changes:

- Ring-fenced Reserve limit increase by £1m to provide capacity for any additional funds being held.
- Climate Change Reserve limit decreased by (£0.55m) as the reserve continues to be put to use.
- Holding Accounts limit decreased by (£0.5m) to support continued reduction of those reserves where appropriate.

4.3 In order to find funding to support the Capital Programme it is proposed that a review of all earmarked reserves is undertaken. The aim of the review is to identify where there is no planned commitment for reserves or adverse risk to the Council of diverting reserves towards emerging high priority needs that align to the Council's Business Plan.

4.4 The Projects Reserve balance includes £3m which was set aside for the purpose of investing money into projects that would generate a financial return. The scope of this reserve going forward will include projects that are identified as part of the Transformation Programme where the objective is to support closing the financial gap as outlined in the Medium-Term Financial Plan approved by Council in February 2025.

5. Policy Implications

None

6. Statutory Considerations

The external audit of the accounts for 2024/2025 forms part of changes to Accounts and Audit legislation that are designed to support a national recovery from an audit backlog in the external audit of accounts. The backstop date for publishing Audited accounts for 2024/2025 is 27 February 2026.

7. Consultations

Finance Portfolio Holder
Corporate Management Team
Service Managers

8. Access to Information

Council Agenda/Minutes
Council Financial Plan 2024 – 2029
Quarterly Monitoring Reports 2024/2025

Glossary of accounting terms used within this report

- **Unsupported Borrowing** A form of capital finance funded by revenue either by increased income or a reduction in costs. There is no Government grant to support this form of funding.
- **Revenue Expenditure Funded from Capital Under Statute (REFCUS)** Capital expenditure that does not result in a new or enhanced asset in the Authority's accounts. An example is Disabled Facilities Grants made to individuals. These are charged to the Income and Expenditure Account and reversed out as part of the Financing Adjustment.
- **Minimum Revenue Provision (MRP)** The Council is required to pay off an element of its underlying need to borrow (the Capital Financing Requirement) each year through a revenue charge (MRP). A variety of options for MRP calculation are available to councils, so long as there is a prudent provision. The Council uses the Asset Life Method as set out below. Asset Life Method – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations which provides for a reduction in the borrowing need over approximately the asset's life.