

## **COUNCIL MEETING – 16 JULY 2025**

### **RECOMMENDATIONS FROM FINANCE SUB COMMITTEE: FINAL OUTTURN 2024/25 - APPROVAL OF SUPPLEMENTARY REVENUE ESTIMATES AND CAPITAL ESTIMATES**

#### **Recommendations:**

**Council is recommended to**

- 1. approve the Supplementary Revenue Estimate Request for Allocation of Additional Grant Funding over £1,000,000 as per Annex 1, Section 3, Table 1.**
- 2. approve the Supplementary Capital Estimates over £1,000,000 in accordance with Budget and Policy Framework Rules as detailed in Annex 1, Section 4, Table 5.**

---

**Extract from the minutes of the meeting of the Finance Sub Committee held on 2 June 2025.**

#### **5 FINAL OUTTURN 2024-25**

The committee considered the report which provided an overview of the council's final outturn for the financial year 2024-25. The committee noted that, prior to the application of Exceptional Financial Support (EFS) and a proposed £7.8m transfer to reserves, the 2024-25 service outturn position was an adverse variance of £9.8m, reflecting an underlying improvement since Financial Review Quarter 3 (FR3) of £18.3m.

The committee agreed that whilst improvement on the FR3 position was positive, the overspend of £9.8m remained a significant financial challenge for the council. It was noted that significant cost pressures in both Adults and Children's services remained a key issue.

The committee queried the RAG ratings used in Annex 1 – Section 2 and how these had been applied. It was confirmed that:

- Red Rating: Low Confidence – there were significant issues and would likely to require additional decisions to bridge the gap.
- Amber Rating: Medium Confidence – savings proposals were at risk but could be recovered / mitigated within scope of original decision.
- Green Rating: High confidence that the saving proposal was on track with no concerns on the current forecast.

- Completed Rating: Saving proposal had been delivered and no further action was required.

It was noted that the council proposed to increase its general reserves position at outturn through borrowing £17.6m through EFS. Reassurance was sought on the interest rates being paid on EFS. It was confirmed that reserves would be increased through £5.3m Earmarked 'Change Reserves' to respond to the steps that would be necessary to support the delivery of the transformation change programme and improvement activity required through 2025-26 and 2026-27. £2.5m increase in the General Fund Reserves had been identified to increase financial resilience into 2025-26 and future years. However, the reserves were still not at an adequate level and the issue of financial sustainability remained a key risk. This had also been highlighted as a key risk by the External Auditors.

It was clarified that, if the above additions to Reserves of £7.8m were made at out-turn, the annual revenue budget saving against the Capital Financing Budget would be £250K p.a.

- The calculation of the interest on EFS Borrowing £17.6m was calculated at the PWLB Annuity Rate 4.86%.
- The average interest rate on investments in 2024/25 was 5.10% (Annex 1, Section 6, para 6.31)

It was confirmed that the questions and detailed responses submitted by Councillor O'Leary would be circulated to the committee.

The committee noted the capital financing budget and anticipated interest costs on borrowing. The committee queried if the repayments were fixed or variable as having variable payments would make a significant difference to the cost to the council. Officers committed to providing a written response.

**RESOLVED (unanimously):**

3. Note the overall financial performance of the Council in the 2024/25 financial year, as contained within the report, as follows: a) A Net Revenue Overspend of £17.6m against a revised budget of £365.8m (4.8% variance) funded by conditional Exceptional Financial Support (Capitalisation Direction) via borrowing. b) General Reserves closing balance of £6.3m. c) Capital Spending of £88.4m against an approved programme of £215.8m (59% variance).
4. Note the contents of Annex 1.
5. **Recommend to Council to approve the Supplementary Revenue Estimate (SRE) Request for Allocation of Additional Grant Funding over £1,000,000 as per Annex 1, Section 3, Table 1.**

6. Approve the Adults and Health Committee Supplementary Revenue Estimates (SRE) Request for Allocation of Additional Grant Funding (Specific Purpose) over £500,000 up to £1,000,000 as per Annex 1, Section 3, Table 2.
7. Approve the Children and Families Committee Supplementary Revenue Estimates (SRE) Request for Allocation of Additional Grant Funding (Specific Purpose) over £500,000 up to £1,000,000 as per Annex 1, Section 3, Table 2.
8. Approve the Supplementary Capital Estimates (SCE) and Capital Virements between £500,000 and £1,000,000 in accordance with Financial Procedure Rules for the following Committee's as detailed in Annex 1, Section 5, Table 4 • Children & Families • Highways & Transport • Economy & Growth • Environment & Communities
9. **Recommend to Council to approve the Supplementary Capital Estimates (SCE) over £1,000,000 in accordance with Budget and Policy Framework Rules as detailed in Annex 1, Section 4, Table 5.**
10. Approve the new Reserves in the Reserves Section (Annex 1, Section 5, Table 1) which includes proposed movements to reserves.