



Tuesday, 9 September 2025

Report of Councillor Ashley Baxter  
Leader of the Council and  
Cabinet Member for Finance, HR and  
Economic Development

## General Fund Provisional Outturn Report 2024/25

### Report Author

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### Purpose of Report

To provide details of the General Fund provisional outturn position for the Financial Year 2024/25. The report covers the following areas Revenue Budget, Capital Programmes and Reserves Overview.

### Recommendations

#### Cabinet is asked to:

1. **Review the provisional General Fund Revenue and Capital Outturn position and the supporting appendices for the financial year 2024/25.**

### Decision Information

Is this a key decision	No
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Connecting communities Sustainable South Kesteven Enabling economic opportunities Housing Effective council
Which wards are impacted?	All

## **1. Implications**

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

### ***Finance***

- 1.1 The financial implications are included within the report.

*Completed by: David Scott, Assistant Director of Finance and Deputy s151 Officer.*

### ***Legal and Governance***

- 1.2 As part of good governance, it is important members are kept updated in respect of the financial position of Council.

*Completed by: James Welbourn, Democratic Services Manager*

## **2. Background to the Report**

- 2.1 This report provides Cabinet with detail of the Council's provisional General Fund Outturn position for the Financial Year (FY) 2024/25. Throughout the year, Cabinet and the Finance & Economic Overview and Scrutiny Committee (FEOSC) have been updated via regular and comprehensive budget monitoring reports.
- 2.2 A balanced budget was set for FY2024/25 which provided a solid foundation for the delivery of Council services over the year.
- 2.3 During the financial year, the Council has managed budgets prudently and has been able to redirect funding where necessary to support the objectives set out in the Corporate Plan. A combination of savings and the generation of additional income has enabled the Council to boost its financial resilience. This is particularly important as the Government is currently consulting upon a fundamental Local Government funding review as well as a reset of the Business Rate system. The implementation of these reviews are confirmed for 2026/27 and based on indicative financial modelling. Both of these reviews are likely to have an adverse financial impact on the Council.

### 3. General Fund Revenue Budget 2024/25

3.1 The budget set by Council on 29 February 2024 was **£19.744m**. Budgets have been amended for any supplementary estimates approved in year including carry forwards from the previous year. This has resulted in an increase to the 2024/25 budget to **£23.238m**. For the purposes of the outturn variance analysis, the proposed budget carry forwards and accounting adjustments such as depreciation have been removed which reduces the budget for comparative purposes to **£17.489m** as shown in Table 1 below.

**Table 1 – General Fund Revenue Outturn Positions (excluding accounting adjustments within Net cost of Service)**

Description	2024/25 Current Budget £'000	2024/25 Current Budget (less proposed Budget C/F and accounting adjustments) £'000	2024/25 Provisional Outturn £'000	Variance to Current Budget £'000	2024/25 Outturn Variance %
Corporate, Governance & Public Protection	4,053	3,951	3,969	18	0.5
Finance, Property & Waste Services	11,575	9,828	10,032	204	2.1
Growth & Culture	8,831	5,038	4,389	(649)	(12.9)
Housing & Projects	1,688	1,581	1,329	(272)	(17.2)
HRA Recharge	(2,942)	(2,942)	(2,942)	0	0
Drainage Rates	947	947	976	29	3.1
Investment Income	(914)	(914)	(1,358)	(444)	(48.65)
<b>Net Cost of Service</b>	<b>23,238</b>	<b>17,489</b>	<b>16,375</b>	<b>(1,114)</b>	<b>(6.7)</b>

3.3 A summary of the key variances are provided in table 2 below:

**Table 2 – General Fund Revenue Outturn significant variances**

<b>Explanation of Significant Variances</b>	<b>£'000</b>
<b>Utilities – Electricity &amp; Gas</b> The budget assumptions that were built into the 2024/25 budget were greater than the actual increases experienced during the year. This, coupled with the rollout of LED lamp upgrades to footway street lighting resulted in a total underspend of (£174k). The lamp upgrades significantly improved energy efficiency with an estimated 75% reduction in energy consumption per upgraded lamp. At the end of March 2025 the LED lamp upgrade programme was 70% complete and is expected to be completed by December 2025.	(174)
<b>Fuel</b> A reduction in fuel price increases has resulted in an overall underspend of £350k for 2024/25. The budget was set using an average unit price of 171p per litre, but actual prices in year have been between 103p and 121p per litre.	(350)
<b>Fees and Charges</b> There are a number of fees and charges budgets which have exceeded budget for a variety of reasons including increased throughput, take up and usage in areas specifically planning fees (£303k), car parking (£182k), the arts centres (£128k) and green waste subscriptions (£59k).	(650)
<b>Property Maintenance</b> A budget of £1m was approved and allocated to the capital programme. However, the stock condition surveys identified urgent remedial works, the majority of which relate to revenue expenditure which has resulted in an overspend of £262k. However, across both capital and revenue there is a net underspend of £220k which will be carried forward to complete ongoing works in 2025/26.	262
<b>Investment Income</b> Higher levels of investment income have resulted from a combination of greater levels of cash balances and higher average interest achieved on those investments (5.0% compared to the 4.75% budget assumption)	(444)

3.4 Appendix A provides details of the significant variances which impacts all Directorates along with supporting information explaining the main variances per service area by Directorate.

3.5 Table 3 provides a summary of the approved budget carry forwards totalling £1.250m. These have been approved via an [Officer Delegated Decision](#) by Deputy Chief Executive and s151 officer in consultation with the Cabinet Member for Finance, HR & Economic Development in accordance with the delegation of approved by Cabinet at their meeting on 8 July 2025.

**Table 3 – General Fund Revenue Approved Budget Carry Forwards**

Project	Approved Budget Carry Forward £'000	Funding	Commentary
Arnhem/Airborne trail, website and projects delivered over an 18 month period	49	2024/25 unspent grant	Request to carry over remaining grant to fund ongoing spend within the 18-month project period
Community Fund applications	21	2024/25 unspent grant	£13k approved schemes payable in 2025/26 and £8k EEM grant received to fund specific expenditure items in 2025/26
Elections Act 2022 requirements	93	£61k 2023/24 unspent grant, £32k 2024/25 grant	Grant received to fund specific expenditure items in 2025/26
ICT Cyber Security	15	2024/25 unspent grant	Grant received to fund specific expenditure items in 2025/26
Maintenance of assets	381	Local Priorities Reserve	Request to carry over remaining budget to meet the cost of works in 2025/26
Depot (revenue)	93	Regeneration Reserve	To contribute towards the decommissioning and remedial works relating to the current Mowbeck Way site
Greening Grantham feasibility project	10	2023/24 unspent grant	Request to carry over remaining grant to fund committed spend in 2025/26
District Local Plan	187	Local plan budget bid not fully spent in year	Request to carry over remaining amount to fund committed spend in 2025/26
Future High Street project (revenue)	206	2024/25 underspend	Request to carry over remaining budget to fund progression of the project in 2025/26
Play Area's Strategy Action Plan for maintenance of play park equipment	32	Local Priorities Reserve	Request to carry over remaining budget to fund ongoing spend in 2025/26
Climate Change projects	76	Climate Change Reserve	Request to carry over remaining budget to complete projects
Rough Sleeper Project	87	2024/25 unspent grant	Request to carry over remaining grant to fund committed spend in 2025/26
<b>TOTAL</b>	<b>1,250</b>		

## 4. General Fund Capital Programme 2024/25

4.1 The budget set by Council on 29 February 2024 for the 2024/25 General Fund Capital Programme was **£20.361m**. Budgets have been amended for any supplementary estimates approved in year including carry forwards from the previous year resulting in an increase to the 2024/25 budget to **£28.610m**. For the purposes of the outturn variance analysis, the proposed budget carry forwards have been removed from this which reduces the budget for comparative purposes to **£17.204m**.

4.2 Table 4 below provides a summary provisional outturn of **£13.780m** resulting in a **£3.424m** underspend on the General Fund Capital Programme for 2024/25. A summary of the significant variances is provided in Appendix B.

**Table 4 – General Fund Capital Outturn Position**

Directorate	2024/25 Current Budget £'000	2024/25 Budget (less C/F approved by Council February 2025 and proposed Budget C/F) £'000	2024/25 Provisional Outturn £'000	2024/25 Outturn Variance £'000
Corporate, Governance & Public Protection	1,936	1,936	1,743	(193)
Finance, Property & Waste Services	15,143	6,534	5,916	(618)
Growth & Culture	7,451	7,478	4,748	(2,730)
Housing & Property	4,080	1,256	1,373	117
<b>Total Expenditure</b>	<b>28,610</b>	<b>17,204</b>	<b>13,780</b>	<b>(3,424)</b>
<b>Financed By:</b>				
Capital Grants & Contributions	14,269	10,594	8,450	(2,144)
Reserves	3,375	2,242	1,952	(290)
Useable Capital Receipts	2,166	1,235	766	(469)
Borrowing	8,800	3,133	2,612	(521)
<b>Total Financing</b>	<b>28,610</b>	<b>17,204</b>	<b>13,780</b>	<b>(3,424)</b>

4.3 Table 5 provides a summary of the capital budget carry forwards totalling **£2.542m** that have also been approved in accordance with the delegation of approved by Cabinet.

**Table 5 – General Fund Capital Approved Budget Carry Forwards**

Project	Approved Budget Carry Forward £'000	Funding	Commentary
Disabled Facilities Grant	244	Housing Delivery Reserve	Completion of works committed in 2024/25
CCTV Infrastructure Improvements	95	Local Priorities Reserve	Continuation of the project
Vehicle Replacement Programme	261	Local Priorities Reserve	Underspend to support the 2025/26 programme
Construction of new Depot	521	Internal borrowing	Continuation of the project
Future High Street Fund	1,539	Grant	Continuation of the approved projects
Coronation Orchards	33	Grant	Continuation of the project
Cattle Market*	(150)	Local Priorities Reserve	Project ahead of schedule as at 31 March 2025 reducing the available budget carry forward that was previously agreed by Council in February 2025.
<b>TOTAL</b>	<b>2,542</b>		

## 5 General Fund Reserves 2024/25

5.1 An integral element of the closedown procedure is to undertake a review of the usage and levels of the Council's reserves and balances. The financial statements reflect the proposed use of these and specific details of the significant balances and reserves are set out below and detailed at Appendix C.

**Table 6 – General Fund Reserves Outturn Position**

Description	Actual Balance as at 31 March 2024 £'000	Provisional Movement £'000	Provisional Balance as at 31 March 2025 £'000
<b>Revenue Reserve</b>			
Discretionary Reserves	11,059	1,954	13,013
Governance Reserves	5,244	(191)	5,053
Grants	2,269	1,258	3,527
Working Balance *	6,675	(4,475)	2,200
<b>Total GF Revenue Reserves</b>	<b>25,247</b>	<b>(1,454)</b>	<b>23,793</b>
<b>GF Capital Reserve</b>			
Capital Reserves	3,855	707	4,562
<b>Total GF Reserves</b>	<b>29,102</b>	<b>(746)</b>	<b>28,355</b>

\* Provisional outturn pending completion of year end accounting entries

5.2 The following proposals were approved by Governance and Audit Committee at their meeting on 23 July 2025, regarding the allocation to reserves regarding the provisional revenue underspend of **£1.114m**:

- ICT reserve – increase by **£260K** to replenish the level of the ICT Reserve to meet future ICT related expenditure.
- Training and Development Reserve – increase by **£85K** to support ongoing development of staff and members as identified through training development plans.
- Local Priorities Reserve – increase by **£769k** to support ongoing priority projects.

5.3 In addition to the above an additional recommendation was proposed and agreed to create a leisure investment reserve of £500K to invest in decorative and cosmetic improvements in the three leisure centres and SK Sports Stadium.

5.4 Discretionary Reserves – Some of the key movements during 2024/25 are:

- **£91k** expenditure on climate change initiatives.
- **£1.852m** net increase on the Local Priorities Reserve following movements from the working balance and closing down of the Business Rate Volatility Reserve, partly offset by funding of various corporate initiatives in year including capital.
- **£100k** transfer to Flood Reserve
- **£481k** Invest to Save to contribute towards the LED footway lighting replacement scheme
- **£333k** repayment of LLEP (Lincolnshire Local Enterprise Partnership) funding.
- **£83k** from the Property Maintenance reserve to support revenue related property expenditure.
- **£51k** from the Regeneration Reserve as match funding for the Future High Street project.
- New Homes Bonus funding of **£564k** was added to the Local Priorities Reserve.

5.5 Governance Reserves – Significant movements included:

- Council approved the removal of the Business Rate Volatility Reserve and the transfer of the **£1.291m** balance into the Local Priorities Reserves. These two reserves have been consolidated to ensure there is sufficient funding in place to reach a balanced position for 2026/27.
- During the year the current projection for the Working Balance is higher than required so **£4m** has been transferred into other reserves, specifically **£1m** transfer into the Budget Stabilisation Reserve and the remaining **£3m** to the Local Priorities Reserve. This will bolster these two important reserves.

5.6 Grants - The net movement in the Grant Reserve is an increase of **£1.258m** which is made up primarily of the following movements in year:

- Additional **£356k** transferred in to support homelessness prevention.
- **£1.651m** added regarding funding for the upcoming food waste implementation to be spent in 2025/26.
- Spend of **£689k** on UKSPF projects during 2024/25.

5.7 The balance on the Capital Reserves at 31 March 2025 is **£4.563m** after taking into account **£766k** used to finance capital expenditure in year and **£1.473m** added into the reserve from the sale of Council assets as summarised below:

• Land at Stonebridge Road Grantham	<b>£538k</b>
• Industrial Unit at Hollis Road Grantham	<b>£237k</b>
• Trent Road Grantham Nursery	<b>£410k</b>
• Former Offices at Sheep Market, Stamford	<b>£250k</b>
• Receipts from sales of end-of-life vehicles	<b>£39k</b>

## **6. Reasons for the Recommendations**

6.1 It is important that members are aware of the financial position of the General Fund to ensure they can make informed decisions that are affordable and financially sustainable for the Council. Effective budget management is critical to ensuring financial resources are spent in line with the budget and are targeted towards the Council's priorities.

6.2 This report provides an overview of the provisional General Fund outturn financial position for 2024/25.

## **7. Other Options Considered**

7.1 Cabinet in their role should have oversight of the Council's budgets and therefore, the option of not producing a provisional outturn report was discounted.

## **8. Consultation**

8.1 The Outturn report has also been presented to FEOSC on 24 July 2025 in order to provide opportunity to provide feedback to Cabinet at this meeting. There were no specific comments made for Cabinet to consider but FEOSC were pleased to see that all Council services had been delivered within budget and resulted in an underspend of £1.1m. Governance and Audit Committee also reviewed the provisional outturn position at their meeting on 23 July 2025.

## **9. Appendices**

- 9.1 Appendix A – 2024/25 General Fund Significant Variance Analysis
- 9.2 Appendix B – 2024/25 General Fund Capital Programme – Provisional Outturn
- 9.3 Appendix C – 2024/25 General Fund Reserves Statement