



Report To: South Holland District Council

Date: Wednesday, 23 July 2025

Subject: Report from Cabinet meeting on 8 July 2025

Purpose: To consider recommendations of the Cabinet in respect of:

- 2024/25 Draft Outturn Finance Update

Key Decision: N/A

Portfolio Holder: Councillor Paul Redgate, Portfolio Holder for Finance

Report Of: Brendan Arnold, Interim Director of Finance (S151)

Report Author: Christine Morgan, Democratic Services Team Leader

Ward(s) Affected: All

Exempt Report: No

Summary

This report provides Members of the Council with details on issues considered by the Cabinet at its meeting on 8 July 2025, which require decisions by Full Council. Relevant extracts from the Cabinet minute are detailed at Section 2 below, and the relevant Cabinet report and appendices are attached as appendices to this report.

Recommendations

That as recommended from Cabinet to Council, the following be agreed:

- 1) To transfer part of the surplus (£217,000) to the General Fund Reserve.
- 2) The transfer of part of the surplus (£100,000) to be transferred into a Parish Councils Loan Reserve pending the drafting of the loan scheme by officers for Cabinet in due course.
- 3) The transfer of the HRA surplus (£13,000) to the HRA General Reserve.

- 4) The approval of the reserves transactions and balances as set out in Appendix A (to the Cabinet report) - Table 3 for 24/25.
- 5) The approval of the 2024/25 capital outturn position presented in Table 4a (of Appendix A to the Cabinet report).
- 6) The capital rephasing from 2024/25 to 2025/26 presented in Table 4c (of Appendix A to the Cabinet report).
- 7) The amendment to the Capital Programme at Appendix A (to the Cabinet report) – Table 5a to Table 5d considering the changes set out in the report.

Reasons for Recommendations

The reasons for recommendation are detailed within the individual report attached and are summarised in the relevant Cabinet minute below.

Other Options Considered

Other Options considered are detailed within the individual report attached and are summarised in the relevant Cabinet minute below.

1. Background

- 1.1. Article 4 of the Council's Constitution provides that only the full Council may exercise the functions of approving, adopting or amending the policy framework and budget, adopting or changing the Constitution. Staffing matters are also a Council function. The Cabinet however has responsibility for advising the Council on such matters. At its meeting on 8 July 2025, the Cabinet made recommendations to Council in respect of the above item which may affect budget and policy framework, constitution or compromise staffing issues.
- 1.2. The remainder of this report details the recommendations of the Cabinet which must be read in conjunction with the individual report to Cabinet, a copy of which is attached as appendices.

2. 2024/25 Draft Outturn Finance Update (Report submitted to Cabinet – Agenda item 11 attached)

Consideration was given to the report of the Interim Director of Finance (S151 Officer) which reported on the Council's Finances as at 31 March 2025.

The Portfolio Holder – Finance presented the report.

Throughout the year quarterly monitoring reports were completed forecasting the expected year end outturn compared to the approved budget. The report provided information on the draft outturn full year financial performance as at 31 March 2025.

General Fund Revenue

The provisional revenue outturn reported a surplus position of £317,000 at the year-end.

- The General Fund 2024/25 net budget for investment income was £1.033m. The draft outturn for investment income was £1.604m, which would be an overachievement of £571,000.
- For transparency, table 1b provided details of additions to the revenue budget as the year progressed through decision notices and delegated decisions.
- The 2024/25 budget included a savings efficiency target of £831,000, savings which were being tracked and could be found in table 1c. 62% of the target had been identified as at 31 March and the remaining £316,000 was still to be found

General Fund Capital

For General Fund Capital, Table 4a provided details of all capital schemes. The total General Fund Capital Programme for 2024/25 was £6.116m, actual capital expenditure for Q4 2024/25 was £4.829m an underspend of £1.287m. Capital Programme carry forwards to future years, amounting to £0.277m were noted including scheme details and their financing in Table 4c of Appendix A. Despite the delay in project delivery during 24/25, funding was being secured to fully deliver those schemes.

General Fund Reserves

Table 3 of Appendix A provided detail of the balances held in reserves at 31 March 2025 being £7.408m. The overall movement in reserve balances during the 2024/25 financial period was an increase £616,000 taking account of year end adjustments alongside those budgeted or previously approved by way of Proforma B that sought approval from either the S151 Officer or Executive Board.

HRA Revenue

Section 2.3 detailed the HRA revenue outturn which was a surplus of £13,000. This was due mainly to an underspend in Supervision and Management, and Repairs and Maintenance driven by cost efficiencies, delayed pressures and staff savings.

HRA Capital

For HRA Capital, Table 5a provided details of all capital schemes with the programme totalling £21.851m for 2024/25. HRA capital spend at the end of Quarter 4 was £14.816m against a full year budget post slippage of £16.111m. Various project schemes were to continue into 2025/26 when the expenditure would be incurred at project completion.

Treasury

Section 2.6 of Appendix A detailed the Council's treasury investments. The Council's cash continued to perform well with £571,000 achieved in excess of budget.

Consideration was given to the report and the following issues were raised:

- With regard to the General Fund and the disappointing capital underspend of circa 21% and the fact that the HRA compared to the original budget was down by a third – would budgeting have been made easier if there had been more honesty of what could be achieved in the first place?
 - The Portfolio Holder for Finance responded that there was value to this comment and that the Authority was probably now better than it had been for some time in the controlling of its budgets. This had been achieved through closer liaison with Portfolio Holders.
- The money set aside for the Parish Council Loan Reserve was raised and members received an explanation on why these monies had been set aside. Alongside the UKSPF, this should assist Parish Councils going forward.
- Members commented that the report was much easier to understand with the narrative alongside each section.

DECISION:

It is recommended that Cabinet

- 8) That Cabinet notes the General Fund draft outturn position for 2024/25 being an underspend of £317,000 as detailed in Table 1.
- 9) That Cabinet notes the HRA draft outturn position for 2024/25 being an underspend of £13,000 as detailed in Table 2.

RECOMMENDATIONS FROM CABINET TO COUNCIL:

It is recommended that Cabinet approves the following recommendations for onward referral to Full Council:

- 10) That Cabinet approves and recommends to Full Council the transfer part of the surplus (£217,000) to the General Fund Reserve.
- 11) The Cabinet approves and recommends to Full Council the transfer of part of the surplus (£100,000) to be transferred into a Parish Councils Loan Reserve pending the drafting of the loan scheme by officers for Cabinet in due course.
- 12) That Cabinet approves and recommends to Full Council the transfer of the HRA surplus (£13,000) to the HRA General Reserve.
- 13) That Cabinet refers to Full Council to approve the reserves transactions and balances as set out in Appendix A - Table 3 for 24/25.

- 14) That Cabinet recommends to Full Council the approval of the 2024/25 capital outturn position presented in Table 4a
- 15) That Cabinet recommends to Full Council the capital rephasing from 2024/25 to 2025/26 presented in Table 4c.
- 16) That Cabinet recommends to Full Council to amend the Capital Programme at Appendix A – Table 5a to Table 5d considering the changes set out in this report.

(Other options considered:

- To not approve the financial movements outlined;*

Reasons for decision:

- To ensure the Council's draft outturn financial position for 2024/25 is considered and related decisions approved. It is important that the Cabinet are aware of the financial position of the General Fund and Housing Revenue Account to ensure that they can make informed decisions that are affordable and financially sustainable for the Council.)*

Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1	Cabinet Agenda Item 11 – 2024/25 Draft Outturn Finance Update (covering report)
Appendix 2	Cabinet Agenda Item 11 – 2024/25 Draft Outturn Finance Update (Appendix A to original covering report)

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

Name of Body	Date
Cabinet	8 July 2025

Report Approval

Report author:	Christine Morgan, Democratic Services Team Leader cmorgan@sholland.gov.uk
Signed off by:	The individual report has previously been signed off by the relevant Director and Portfolio Holder
Approved for publication:	As above.