

<b>Item No</b>	<b>Referred from:</b>	<b>Finance, Audit and Risk Committee</b>
<b>6A</b>	<b>Date:</b>	<b>11 June 2025</b>
	<b>Title of item:</b>	<b>Revenue Budget Outturn 2024/2025</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 11</b>

The report considered by Finance, Audit and Risk Committee at the meeting held on 11 June 2025 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 11th June, 2025, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:** The Finance, Audit and Risk Committee commented on the assumptions and information contained within this report, in the context that Cabinet agrees that:

- (1) That Cabinet note this report.
- (2) That Cabinet approves a decrease of £860k in the 2024/25 net General Fund expenditure, as identified in section 8, to a total of £17.889million.
- (3) That Cabinet approves the changes to the 2025/26 General Fund budget, as identified in table 4 and paragraph 8.3, a total £361k decrease in net expenditure.

That Cabinet recommends to Council:

- (4) That Council approves the net transfer to earmarked reserves, as identified in table 9, of £1.035million.

**REASONS FOR RECOMMENDATIONS:**

- (1) Members are able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process.
- (2) Changes to the Council's balances are monitored and approved.

*Audio recording – 40 minutes 29 seconds*

The Director – Resources presented the report entitled 'Revenue Budget Outturn 2024/25' and highlighted that:

- Since the publication of the report a few changes were made prior to being sent to Cabinet, however none of these were substantive.
- The key variances for the year were summarised at Table 4 in the report. The key changes that would be in the Cabinet report were highlighted.
- For the apprenticeship scheme, the Council had been overpaying on National Insurance and would receive back approximately £14,000.
- The Council was planning to recruit another management trainee and the carry-forward would help maintain the number of apprentices the Council could recruit.

- Treasury investment income was higher than forecast, due to further capital slippage and higher interest rates, this could result in additional income on the treasury position for 2025/26 too and this would be reviewed at the end of Quarter 1.
- The Strategic Priorities Fund was created for various projects and the request was to use it to fund work on Local Government Reorganisation, and other associated work, if this was not completely covered by Government Funding.
- There was greater than expected contribution to the bad debt provision mainly due to the suspension of income recovery during the year with the transition to the new finance system. This was expected to balance out during the next year.
- Revenues & Benefits Service Government Grant Income of £37,000 would be carried forward. This carry-forward would support the final work on the new finance system.
- The administration proportion of the Shared Prosperity Fund Grant was an underspend due to the use of existing staffing for this purpose.
- Six corporate 'financial health' indicators were identified in relation to key sources of income for the Council in 2024/25 these showed a similar pattern seen in the quarter 3 report.
- The impact on the General Fund balance of the outturn position was summarised at Table 7 of the report, with the biggest impacts on business rates.
- A certain amount of business rates money was kept in case of appeals. Appeals were dealt with by the Valuation Office Agency and there was currently a backlog. After time passes the chances of appeals go down and therefore the appeal provisions can be released into the general fund.
- Business rate reliefs are given by the government in the form of Grant funding and details of what the Council had received was summarised in Table 9 of the report.
- Paragraph 8.17 states the Councils the risk allowance is used to set the minimum level of General Fund balance was determined based on known and unknown risks.
- An additional risk to add to the list in paragraph 8.17 was legal costs for a public inquiry into refused planning permission.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Sean Nolan
- Councillor Ruth Brown
- Independent Member John Cannon

In response to questions, the Director – Resources stated that:

- There was no limit on variances Cabinet can approve on an existing budget, however they cannot introduce new areas of budget.
- Regulatory had large slippage towards the end of the year and the reasons for this slippage were outlined on page 103 of the agenda pack.
- Enterprise had less income than expected and this was outlined on page 98 of the agenda.
- The information about how this Council compared to other Local Authorities regarding revenue spend slippage was not available. The Director – Resources would try and compile some comparison information.
- A lot of this slippage was due to prioritised resources, especially regarding staffing.
- The General Fund may be artificially high as the Council had underspends which it would be spending in the future.
- The 2025/26 Revenue Budget would show the cost of the changes due to the changes in the Leisure Decarbonisation.

Councillor Vijaiya Poopalasingham proposed and Councillor Stewart Willoughby seconded and, following a vote, it was:

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