

Resources and Transformation Overview and Scrutiny Panel – 26 June 2025

Cabinet – 2 July 2025

Financial Monitoring Report (Provisional Budget Outturn 2024/25)

Purpose	For Decision
Classification	Public
Executive Summary	<p>This report provides the provision outturn of the General Fund, Housing Revenue Account (HRA) and capital programme for the 2024/25 financial year.</p> <p>It states:</p> <ul style="list-style-type: none">• the General Fund has a provisional surplus of £3.366 million with the intention to enhance specific reserves for Devolution and Local Government Reorganisation reserve (£350,000), Depot Improvements (£500,000) and the Council’s Capital Programme reserve (£2.516 million).• the HRA has a provisional surplus of £1.436 million, which is earmarked to enhance the Acquisition and Development reserve.• £46.439 million has been invested in our Capital Programme (General Fund £17.787 million; HRA £28.652 million)
Recommendation(s)	<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none">1) note the provisional outturn of the General Fund, HRA, and Capital budgets for 2024/25.2) note the year-end rephasing, as included in the provisional outturn figures.3) approve an additional £350,000 is added to the Devolution and Local Government Reorganisation reserve.

	<p>Is asked to recommend to Council that they:</p> <p>4) Approve adding £500,000 to the Capital Programme to facilitate improvements across the Council's depot estate.</p>
Reasons for recommendation(s)	<p>To comply with accounting codes of practice and best practice which requires councils to regularly monitor the annual budget position and take any action to support the sustainability of the council's financial position ensuring we are being financially responsible.</p> <p>To comply with the council's financial regulations regarding budget virements and supplementary budget requests.</p>
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources and Transformation (Section 151 Officer)
Officer Contact	<p>Paul Whittles</p> <p>Assistant Director - Finance</p> <p>02380 285766</p> <p>paul.whittles@nfdc.gov.uk</p>

Introduction and background

1. Following the approval of the Original Budget for 2024/25 in February 2024 and quarterly updates via Financial Monitoring reports presented to Cabinet 4 September 2024, 6 November 2024 and 5 February 2025, this report sets out the provisional outturn results for revenue and capital budgets for both the General Fund and Housing Revenue Account for 2024/25.
2. Financial Monitoring is an important feature in the management of the council's finances as it gives an opportunity to reflect on variations as against the latest set budget and reflect on the impact that these variations may have over the period covered by the council's Medium Term Financial Plan (MTFP).

3. Furthermore, the Council's financial planning process supports the delivery of the corporate objectives and the setting of the annual budget, and its performance is an important element of delivering the overall Corporate Plan.
4. The Council's statutory Statement of Accounts will be completed and signed by the Responsible Financial (S151) Officer and will be presented as final to the Audit Committee following the completion of an external audit. Should there be any significant variations from the figures presented in this report, they will be highlighted at that Committee. The Outturn position now presented is in management format.

Budget Outturn – General Fund

5. The overall General Fund Net Budget Requirement (Revenue) provisional outturn position confirms a spend of £22.040 million against an original budget of £24.513 million. A positive variation of £2.473 million.
6. Within those figures, the net spend at Service Portfolio level is £0.615 million below the original budgeted sum for the year (£21.683 million spend as against £22.298 million original budget).
7. Further outturn variations, when compared against the original budget, totalling £1.858 million have occurred outside of the Service Portfolios mainly due to additional interest earnings of £1.287 million above the originally budgeted sum, a £303,000 reduction in Minimum Revenue Provision, £93,000 less interest payable costs and a reduction of £175,000 in revenue financing of the capital programme.
8. In addition, business rates income exceeded the original budget by £124,000, additional Government Grants of £45,000 were received and £724,000 was transferred back from sums allocated to reserves in previous years.
9. These positive variations, totalling £3.366 million, mean that the General Fund has been able to:
 - enhance the Devolution and Local Government Reorganisation Reserve, approved by Cabinet in February, by £350,000 (total £500,000), to ensure we deliver the best possible outcomes for the New Forest.
 - allocate up to £500,000 to welfare improvements across the Council's depot estate, supporting our people strategy and reputation as an employer of choice.

- transfer £2.516 million to the Capital Programme Reserve (resulting in overall annual movement of this reserve from a balance of £10.573m as of 31/3/24, to a balance of £7.989m as of 31/3/25).
10. Rephasing to future years, included in the outturn position, totals £1.035 million and includes:
- Local Plan Grants £298,000
 - Totton Commercial Investment £157,000
 - Homes for Ukraine Support £139,000
 - Economic Development Planning Skills Grant £100,000
 - Improve Digital Planning Grant £63,000
 - Homes for Afghans Support £62,000
 - CCTV £51,000
 - Other £165,000
11. The Financial Monitoring reports presented through Cabinet during the year included the rationale for the in-year variations and the summarised position is shown within Appendix 1, with further detail on the new outturn General Fund variations being shown by portfolio within Appendix 2.
12. In addition to the rephased elements detailed above (£1.035 million; paragraph 10) each portfolio has a number of new expenditure and income variations positively totalling £1.527 million net. Full details can be found at Appendix 2, but the most significant variances are as follows:
- **Health and Leisure Centres (Community and Wellbeing)**
-£257,000: The council invested an additional £190,000 in asset maintenance partly supported by an extra £107,000 of income. Furthermore, £362,000 less was required to support the energy pain share contract provision with our leisure partner with other minor leisure related variances totalling £22,000 net.
 - **Car Parking (Environment and Sustainability)**
£200,000: £93,000 of extra costs predominately regarding maintenance of car parks and vehicle hire were incurred throughout the year. Furthermore, there was a shortfall of £107,000 car parking income against budget.

- **Refuse and Recycling (Environment and Sustainability)**
-£325,000: Additional grant funding to support the new waste service roll out totalling £202,000 was received at the end of the year. Final income figures relating to glass, trade and special collections provided £157,000 more than budgeted expectations. These were mitigated partly due to minor overspends relating to operational costs (£34,000).
- **Waste Strategy (Environment and Sustainability)**
-£121,000: Primarily as a result of vacant posts in the service relating to waste strategy resource, waste advisor and technical support posts. These savings have been incorporated into the MTFP for 2025/26 following a restructure of the service which removed these posts.
- **Economic Development (Planning and Economy)**
-£265,000: Predominately due to vacant posts but also includes associated supplies and services underspends.

13. The original General Fund Capital Programme budget was set at £16.579 million. This was increased to £20.545 million via financial monitoring throughout the year to take into account rephased amounts from 2023/24 and new in year requirement updates. The outturn position confirms a spend for the year of £17.787 million.
14. The Council remains committed to delivering the capital programme, consequently rephasing budgets to future years as part of the outturn position is proposed totalling £1.010 million. Additionally, project savings were £1.748 million in 2024/25, with further details found at Appendix 4.
15. This results in a year-end variation in comparison to the revised budget of -£2.758 million.

Budget Outturn – Housing Revenue Account

16. The Housing Revenue Account provisional position confirms income for the year of £36.752 million (an increase of £565,000 from the original budget) and revenue spend for the year of £21.265 million (a decrease of £681,000 from the original budget). After taking these variations into account, and after allowing for net transfers to earmarked reserves of £151,000 and contributions to capital of £14.202 million, this results in an overall surplus for the year of £1.436 million, with this sum being transferred to the Acquisition and Development reserve.
17. Full details can be found at Appendix 3, but the most significant variances are as follows:

- General Management -£407,000
 - Cyclical Maintenance -£188,000
 - Housing Scheme and Temporary Accommodation -£163,000
 - Capital Financing Costs -£103,000
18. The original Housing Revenue Account Capital Programme budget was set at £32.380 million. This was reduced via financial monitoring through the year to £32.180 million. The outturn position confirms a spend for the year of £28.652 million. Outturn project underspends, primarily on the Major Repairs and Decarbonisation works were £2.607 million, with project rephasing to future years relating to Major Structural Refurbishments totalling £0.921 million. Further details can be found at the foot of Appendix 4.

Corporate plan priorities

19. Regular monitoring and reporting of our financial activity including adjusting budgets whilst maintaining a balanced medium term financial plan (MTFP), ensures we are being financially responsible and supports our Corporate Plan which underpins the delivery of all our priorities.

Options appraisal

20. In consultation with the s151 Officer a review of the items eligible for rephasing was undertaken to determine those carried forward to support specific deliverable schemes.
21. Furthermore, the council could choose now to allocate the £3.366 million surplus in the general fund to alternative reserves or other council initiatives, but in consultation with the Cabinet those currently proposed best support the council's current priorities. Further exploration of options to utilise the additional funds will be carried out during year, and specifically during the budget preparation process for 2026/27.
22. Additionally, the HRA surplus could be earmarked differently but given the extensive development programme it remains appropriate to enhance the Acquisition and Development reserve (in the knowledge that the reserve will support the financing of 2025/26 Capital Programme).

Consultation undertaken

23. Internal consultation between finance officers, service managers and budget holders has determined the provisional outturn data presented in the report.

Financial and resource implications

24. This is a financial report with budget implications already detailed and considered in the main body of the report.

Legal implications

25. There are no legal implications arising directly from this report.

Risk assessment

26. The provisional outturn figures are prepared in good faith and in line with accounting practice. Some figures are based on estimates and assumptions in consultation with services and all figures are subject to final confirmation following the conclusion of the external audit. Therefore, there is a risk some figures may change. Any changes will be reported to Audit Committee.

Environmental / Climate and nature implications

27. There are no environmental implications arising directly from this report.

Equalities implications

28. There are no equality implications arising directly from this report.

Crime and disorder implications

29. The in-year underspend (£51,000) relating to the council's CCTV project has been rephased into 2025/26 to ensure delivery is achieved.

Data protection / Information governance / ICT implications

30. There are no data protection, information governance or ICT implications arising directly from this report.

Appendices:

Appendix 1 – General Fund Outturn 2024/25

Appendix 2 – Variation Analysis General Fund Outturn 2024/25 – Portfolio Summary

Appendix 3 – Housing Revenue Account Outturn 2024/25

Appendix 4 – Capital Programme Outturn 2024/25

Background Papers:

Cabinet 5 February 2025:
Financial Monitoring Report -
(Based on Performance April to
December 2024 inclusive)

Cabinet 6 November 2024:
Financial Monitoring Report -
(based on Performance April to
September 2024 inclusive)

Cabinet 4 September 2024:
Financial Monitoring Report -
(based on Performance April to
June 2024 inclusive)

Cabinet 21 February 2024 –
Budget Reports 24/25:
Housing Revenue Account Budget
and the Housing Public Sector
Capital Expenditure Programme
2024/25

Medium Term Financial Plan and
Annual Budget 2024/25

FINANCIAL MONITORING 2024/25 GENERAL FUND OUTTURN 2024/25		Feb-24 2024/25 £'000's Original Budget	Feb'25 2024/25 £'000's Updated Budget	Outturn 2024/25			2024/25 £'000's Outturn Position
				2024/25 £'000's New Variations Expend.	2024/25 £'000's New Variations Income	2024/25 £'000's New Variations Rephasings	
PORTFOLIO REQUIREMENTS							
Community, Safety and Wellbeing		3,468	3,466	-236	-198	-118	2,914
Environment and Sustainability		8,540	9,241	32	-334	-65	8,874
Finance and Corporate		4,220	3,702	-218	271	-183	3,572
Housing and Homelessness		3,499	3,291	85	-15	-185	3,176
Leader		1,174	1,271	256	-329	0	1,198
Planning and Economy		3,997	3,839	-453	-21	-484	2,881
Multi Portfolio adjustments - To be allocated		0	367	-367	0	0	0
		24,898	25,177	-901	-626	-1,035	22,615
Reversal of Depreciation		-2,190	-2,190	341			-1,849
Contribution (from) / to Earmarked Revenue Reserves		-410	-118	0	0	1,035	917
NET PORTFOLIO REQUIREMENTS		22,298	22,869	-560	-626	0	21,683
Minimum Revenue Provision		2,269	2,269	-303			1,966
Contribution to Capital Programme Financing (RCCO)		1,250	1,075				1,075
Interest Costs		150	150	-93			57
Interest Earnings		-1,432	-1,832		-887		-2,719
New Homes Bonus		-22	-22				-22
GENERAL FUND NET BUDGET REQUIREMENTS		24,513	24,509	-956	-1,513	0	22,040
COUNCIL TAX CALCULATION							
Budget Requirement		24,513	24,509	-956	-1,513	0	22,040
Less: Settlement Funding Assessment							
Lower Tier Service Grant		0	0				0
Transparency Code New Burdens		0	0		-9		-9
Services Grant		-25	-28				-28
Guarantee Grant (MHCLG)		-1,200	-1,233				-1,233
Business Rates Baseline		-4,330	-4,330		-213		-4,543
		-5,555	-5,591	0	-222	0	-5,813
Locally Retained Business Rates		-4,320	-4,320		-225		-4,545
Estimated Collection Fund (Surplus)/Deficit Business Rates		1,305	1,305				1,305
Contribution from Business Rates Equalisation Reserve		-1,305	-1,305		314		-991
Estimated Collection Fund (Surplus)/Deficit Council Tax		-179	-179				-179
Contribution (from) / to Earmarked Revenue Reserves		0	40	956	1,646	-724	-724
Contribution to/ from(-) Variation Reserves						724	3,366
COUNCIL TAX		14,459	14,459	0	0	0	14,459
TAX BASE NUMBER OF PROPERTIES		72,371.50	72,371.50				72,371.50
COUNCIL TAX PER BAND D PROPERTY		199.79	199.79				199.79
GENERAL FUND BALANCE 31 MARCH		3,000	3,000				3,000

FINANCIAL MONITORING 2024/25

VARIATION ANALYSIS GENERAL FUND OUTTURN 2024/25 - PORTFOLIO SUMMARY

PORTFOLIO ADJUSTMENTS

Community, Safety and Wellbeing

	Outturn			
	2024/25 £'000's New Variations Expend.	2024/25 £'000's New Variations Income	2024/25 £'000's New Variations Rephasings	2024/25 £'000's New Variations Total
Grants - Rephased into 25/26	-8		-29	
Community Alarms- Equipment	-33			
CCTV - Underspend	3		-51	
Community Safety - committed schemes	-5	-35	-34	
Health and Leisure Centres - AMG Programme	190	-107		
Health and Leisure Centres - Contract Provision	-362			
Health and Leisure Centres - Other	25	-3	-4	
Food Safety - Salary savings re vacancies /additional income	-12	-5		
Taxi Licensing - Additional Licence fee income	-3	-17		
Emergency Planning - Salary savings re vacancies	-31			
Net Other		-31		
	-236	-198	-118	-552

Environment and Sustainability

Cemeteries - Sway & New Milton AMR schemes into 25/26			-47	
Climate & Nature Action - Underspend	-39			
Foreshores - Coastal Water Safety AMR scheme into 25/26			-21	
Coastal Business Unit - Income received 23/24, expenditure ongoing			3	
Car Parking - Meter, Clocks and Penalty Charges income shortfall		107		
Car Parking - Various overspends mainly relating to Maintenance & Hired Vehicles	93			
Cemeteries - Additional income, partially offset by Maintenance overspends	11	-29		
Clean Neighbourhoods - additional Fixed Penalty Notices income	7	-33		
Open Spaces - Trees and other Maintenance overspends	70	-7		
Pest Control - Higher than anticipated Employee costs and Income shortfall	14	20		
Refuse & Recycling;				
- Grant received re New Service Roll Out		-202		
- Additional income; mainly Glass, Trade & Special Collections		-157		
- Overtime, Clothing & Vehicle Repairs overspends. Sacks, Disposal & Fleet savings	34			
Street Scene - Vacant posts underspends and additional Fees and Charges income	-67	-14		
Waste Strategy - Mainly salary underspends due to vacancies	-121			
Corporate Allocations	7			
Net Other	23	-19		
	32	-334	-65	-367

Finance and Corporate

Corporate Management - Fleet & Infrastructure Strategy - rephase into 25/26			-10	
Corporate Management	-21	-23		
Pension Increase Act	29			
Lymington Town Hall Site - HCC grant - rephase into 25/26			-16	
Commercial Inv. Property - Lymington Town Hall	-30	23		
Commercial Inv. Property - Salisbury Road, Totton Scheme - rephase into 25/26			-157	
Commercial Inv. Property - Platinum Jubilee Business Park	56	15		
Commercial Inv. Property - Hythe Marina		-49		
Council Tax & Business Rates	-44	47		
Housing Benefits	-184	255		
Eling Tide Mill	16			
Contingency	-48			
Corporate Allocations	5			
Net Other	3	3		
	-218	271	-183	-130

FINANCIAL MONITORING 2024/25

VARIATION ANALYSIS GENERAL FUND 2024/25

PORTFOLIO ADJUSTMENTS

Housing and Homelessness

Homes for Ukrainian Families
Homes for Afghan Families
Homelessness Costs
Stillwater Park
Shared Amenities Contribution
Community Housing Fund
Corporate Allocations
Net Other

Leader

Transformation
Elections
UK Shared Prosperity Fund
Corporate Allocations
Net Other

Planning and Economy

Local Plan - Rephasing- now underspend
Local Plan - Local Plan Grant rephasing re consultancy
Local Plan - Local Plan Grant rephasing + Green Belt grant
Policy - Improve Digital Planning Grant
Policy - S106 monitoring
Planning - Development management salary underspends
Planning -Planning Monitoring salary underspends
Street Naming & Numbering - Additional Income
Economic Development - Vacancies and Supplies & Services underspends
Building Control - income shortfall
Regeneration & Growth
Corporate Allocations
Net Other

Portfolio adjustments - Non Direct

Net reallocated to Services

TOTAL PORTFOLIO ADJUSTMENTS

NON-PORTFOLIO ADJUSTMENTS

Contribution to/from(-) Earmarked Reserves
Reversal of Depreciation
Minimum Revenue Provision
Interest Costs
Interest Earnings

TOTAL NON-PORTFOLIO ADJUSTMENTS

GRAND TOTAL ADJUSTMENTS (Credited to (-) / Debited from (+) Budget Reserves)

	Outturn			
	2024/25 £'000's New Variations Expend.	2024/25 £'000's New Variations Income	2024/25 £'000's New Variations Rephasings	2024/25 £'000's Updated Variations Total
			-139	
			-62	
	65			
	1	-15		
	13			
			16	
	4			
	2			
	85	-15	-185	-115
	-92			
	27	-37		
	324	-289		
	1			
	-4	-3		
	256	-329	0	-63
	-44		9	
	-38			
			-298	
	19	-38	-63	
			-32	
	-56	-6		
	-33			
		-20		
	-265		-100	
	-15	43		
	-17			
	8			
	-12			
	-453	-21	-484	-958
	-367			
	-367	0	0	-367
	-901	-626	-1,035	-2,552
			1,035	
	341			
	-303			
	-93			
		-887		
	-55	-887	1,035	93
	-956	-1,513	0	-2,459

FINANCIAL MONITORING 2024/25				
HOUSING REVENUE ACCOUNT OUTTURN 2024/25				
	Feb'24	Feb'25	Outturn	
	2024/25	2024/25	2024/25	2024/25
	£'000's	£'000's	£'000's	£'000's
	Original	Updated	New	Outturn
	Budget	Budget	Variations	Position
INCOME				
Dwelling Rents	-33,396	-33,796	19	-33,777
Non Dwelling Rents	-775	-735	2	-733
Charges for Services & Facilities	-1,169	-1,169	-35	-1,204
Contributions towards Expenditure	-60	-78	-33	-111
Interest Receivable	-441	-441	-135	-576
Sales Administration Recharge	-33	-33	8	-25
Shared Amenities Contribution	-313	-313	-13	-326
TOTAL INCOME	-36,187	-36,565	-187	-36,752
EXPENDITURE				
Repairs & Maintenance				
Cyclical Maintenance	1,886	1,939	-188	1,751
Reactive Maintenance - General	3,400	3,452	-71	3,381
Reactive Maintenance - Voids	1,521	1,646	30	1,676
Supervision & Management				
General Management	7,766	7,660	-407	7,253
Grounds Maintenance and Trees	936	1,037	-35	1,002
Housing Schemes and Temporary Accommodation	1,150	1,157	-163	994
Provision for Bad Debt	150	150	24	174
Capital Financing Costs - Interest/Debt Management	5,137	5,137	-103	5,034
Capital Financing Costs - Internal Borrowing	0	0	0	0
TOTAL EXPENDITURE	21,946	22,178	-913	21,265
HRA OPERATING SURPLUS(-)	-14,241	-14,387	-1,100	-15,487
Contribution to Capital - supporting Housing Strategy	9,700	9,700	-47	9,653
Capital Financing Costs - Principal	4,541	4,541	8	4,549
HRA Total Annual Surplus(-) / Deficit	0	-146	-1,139	-1,285
Contribution to/from(-) Earmarked Reserves	0	-61	-90	-151
HRA TOTAL ANNUAL SURPLUS(-) / DEFICIT	0	-207	-1,229	-1,436

FINANCIAL MONITORING 2024/25						
CAPITAL PROGRAMME OUTTURN 2024/25						
Portfolio	Feb-24	Feb'25	Outturn			
	2024/25 £'000's Original Budget	2024/25 £'000's Updated Budget	2024/25 £'000's New Variations Expend.	2024/25 £'000's New Variations Rephasing	2024/25 £'000's Outturn Position	
UK Shared Prosperity Fund	208	230	73		303	
Rural England Prosperity Fund	300	531			531	
Disabled Facilities Grants	1,500	1,500	-438		1,062	
Sustainability Fund - Unallocated	250	100	-37		63	
Strategic Regional Coastal Monitoring (22-27)	2,667	2,925	-40	-180	2,705	
Barton Horizontal Directional Drilling Trials	260	150		-103	47	
Hurst Spit Beach Shingle Source Study	100	25		-15	10	
Milford Beach and Cliff Study	100					
Milford - Sea Wall Construction Works	100					
Waste Strategy Containers	1,025	1,088	-27	-43	1,018	
St Georges Hall, Calshot		375			375	
Asset Modernisation Programme - Public Convenience	300	225	-159	-58	8	
New Depot Site: Hardley	4,372	6,349	90		6,439	
Ringwood Depot: Extension and Works	250	250		-248	2	
V&P; Replacement Programme	2,102	3,102	-329		2,773	
V&P; Waste Strategy Vehicles	885	885	-695		190	
ATC East Wing Boiler Replacement	160	160	-38		122	
Commercial Property - Queensway - addit.works		610		-323	287	
Eling Toll Bridge and Quayside Repairs		40		-40		
Crow Lane - Platinum Jubilee Business Park, Ringwood			-7		-7	
Mitigation Schemes	1,000	1,000	287		1,287	
Infrastructure Projects	1,000	1,000	-428		572	
TOTAL GENERAL FUND CAPITAL PROGRAMME	16,579	20,545	-1,748	-1,010	17,787	
Fire Risk Assessment Works	1,000	1,000	-194		806	
Major Structural Refurbishments	1,260	1,260		-921	339	
HRA - Major Repairs	8,600	8,600	-1,091		7,509	
Decarbonisation	2,170	1,970	-927		1,043	
Estate Improvements	200	200	-18		182	
Council Dwellings - Strategy Delivery	18,200	18,200	-376		17,824	
Disabled Facilities Grants	950	950	-1		949	
TOTAL HRA CAPITAL PROGRAMME	32,380	32,180	-2,607	-921	28,652	
GRAND TOTAL CAPITAL PROGRAMME	48,959	52,725	-4,355	-1,931	46,439	