

North East Derbyshire District Council

Cabinet

31 July 2025

Budget Monitoring Report April - June 2025 (Q1)

Report of the Deputy Leader of the Council with responsibility for Finance

Classification: This report is public

Report By: **Jayne Dethick, Director of Finance & Resources (S151 Officer)**

Contact Officer: **Jayne Dethick**

PURPOSE / SUMMARY

To inform Cabinet of the financial position of the Council following the first quarters budget monitoring exercise for the General Fund, Housing Revenue Account and the Capital Programme.

RECOMMENDATIONS

1. That Cabinet note the report and make any comments that they believe to be appropriate with regards to the budget monitoring position outlined.

Approved by the Portfolio Holder – Cllr Pat Kerry, Deputy Leader with responsibility for Finance

IMPLICATIONS

Finance and Risk: Yes ☒ No ☐

Details:

It is important that the Council maintains robust budgetary control and monitoring processes in order to safeguard both its reserves and financial resilience.

The issue of financial risk and resilience is covered throughout the report. In addition, it should be noted that not achieving a balanced budget is outlined as a key risk within the Council's Strategic Risk Register.

Members should note that the budgets against which we have monitored the 2025/26 quarter one position were those agreed within the Council's Medium Term Financial Plan.

On Behalf of the Section 151 Officer

Legal (including Data Protection): Yes ☐ No ☒

Details:

There are no legal issues arising directly from this report.

On Behalf of the Solicitor to the Council

Staffing:

Yes ☐

No ☒

Details:

There are no staffing issues arising directly from this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

Decision Information	
Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: NEDDC: Revenue - £125,000 ☐ Capital - £310,000 ☐ ☒ <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Significantly Affected	None
Equality Impact Assessment (EIA) details:	
Stage 1 screening undertaken Completed EIA stage 1 to be appended if not required to do a stage 2	No, not applicable, report is for noting only.
Stage 2 full assessment undertaken Completed EIA stage 2 needs to be appended to the report	No, not applicable
Consultation: Leader / Deputy Leader ☒ Cabinet ☒ SMT ☐ Relevant Service Manager ☐ Members ☐ Public ☐ Other ☐	Yes Details:

Links to Council Plan priorities;

- A great place that cares for the environment
- A great place to live well
- A great place to work
- A great place to access good public services

All

REPORT DETAILS**1 Background** *(reasons for bringing the report)*

- 1.1 To update Cabinet on the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, Housing Revenue account, and the Capital Programme.

2. General Fund

- 2.1 The position in respect of the General Fund as at 30 June 2025 is summarised in Appendix 1 attached to the report. The appendix shows the Original Budget that was set in January 2025, together with the Current Budget compared to the 30 June position.
- 2.2 As at quarter one the overall forecast is for the General Fund to underspend by £0.394m. Variances of note by Directorate are detailed at 2.5 - 2.7 below. Appendix 2 provides a more detailed breakdown by directorate.
- 2.3 The budget approved by Council in January 2025 included a required contribution from the Resilience Reserve of £0.294m, as detailed in the Medium Term Financial Plan Report. Further, the report stated that subsequent underspends be transferred to the Resilience Reserve to 'pay back' contributions this year, increasing resilience for future years. Based on the quarter one forecasts the underspend on General Fund of £0.513m reduces the use of the reserve to nil and forecasts a contribution back to the reserve of £0.219m at outturn this year. This will depend on the actual financial performance out-turning in line with the budgets as the year progresses.
- 2.4 It is worth noting that all salary underspend calculations are net of the 3% salary vacancy savings included in the Medium Term Financial Plan report.
- 2.5 The Organisation and Place Directorate is £0.279m lower than the original forecast. The main variances are in relation to a salary underspend of £0.105m, and underspends on fuel (£0.036m), members allowances (£0.017m) and recycling charges (£0.022m). There is also increased income from grounds maintenance, £0.016m and planning fees of £0.010m.
- 2.6 The Finance and Resources Directorate is £0.167m lower than the original forecast. The main variances are in relation to salary underspends of £0.075m, plus additional new burdens income for external audit fees (£0.023m) and revenues and benefits (£0.040m).

- 2.7 The Growth and Assets Directorate is £0.051m higher than the original forecast. The main variances are in relation to a salary underspend of £0.187m (of which £0.141m relates to leisure). There are also underspends of £0.074m for utilities and leisure expenses for Clay Cross Active £0.029m. These variances are offset by overspends for asset valuations (£0.14m) and reduced income for leisure, £0.368m (£0.312m for Clay Cross Active) and commercial rents £0.020m.

Financial Reserves

2.8 Transfers from Earmarked Reserves

The use of earmarked reserves is 2025/26 to date is £0.701m comprising:

- £0.541m from revenue grants.
- £0.160m from earmarked reserves

2.9 Transfers to Earmarked Reserves

The transfers to earmarked reserves to date is £0.437m comprising:

- £0.218m to revenue grants.
- £0.219m to earmarked reserves

The majority of the transfer to earmarked reserves relate to resilience reserves, see 2.12 below.

- 2.10 There are ongoing commitments against the earmarked reserves which will continue in 2025/26 and future years. Should any of the reserves prove unnecessary in the light of subsequent events then they will be moved back into unallocated General Fund resources.

Invest to Save

- 2.11 The Invest to Save Reserve had an opening balance of £2.429m at 1 April 2025. Commitments already made against this reserve for 2024/25 and future years amount to £0.418m leaving £2.009 uncommitted and available for future innovations and spend to save initiatives.

Resilience Reserve

- 2.12 The Resilience Reserve had an opening balance of £3.597m at 1 April 2025, and planned commitments in the current financial year were forecast to reduce this to £3.303m. The Q1 forecast underspend now reduces this use to nil and forecasts a contribution of £0.218m to the Resilience Reserve. This will be utilised to provide financial resilience to the General Fund in future years as required by the Medium Term Financial Plan.

General Fund Balances

- 2.13 The level of General Fund Balances has been maintained at £2.000m. The General Fund balances are considered to be at an acceptable level rather than generous. The General Fund balance needs to be considered against the

background of ongoing reductions in the level of Government funding together with the range of risks facing the Council. With only a limited level of General Fund reserves it is crucial that the Council continues to maintain robust budgetary control while securing its ongoing savings targets in order to safeguard both its reserves and its financial sustainability.

Housing Revenue Account (HRA)

- 2.14 Appendix 3 shows the HRA position at quarter one. The HRA is showing income above budget by £0.313m and expenditure slightly above budget by £0.088m resulting in an overall income position of £0.225m. The income variance is due to additional rent from 53 week not included in the budget. The expenditure variance includes a £0.090m overspend for subscriptions for the Housing Ombudsman and the Social Housing Regulator.

Capital Investment Programme

- 2.15 Appendix 4 shows the capital position at quarter one which is currently £2.434m lower than the forecast.
- 2.16 The HRA capital programme is lower than forecast by £1.788m, most of which is for the Stone broom Regeneration project but is expected to be on track by the end of the year. The general fund programme is lower than forecast by £0.646m at quarter one. This comprises several small variances across the programme.

3 Reasons for Recommendation

- 3.1 The report summarises the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account and Capital Programme

4 Alternative Options and Reasons for Rejection

- 4.1 This report is concerned with monitoring the position against the Council's previously approved budget. Accordingly, the report does not set out any options where a decision is required by Members.

DOCUMENT INFORMATION

Appendix No	Title
1	General Fund Summary Monitoring Q1 2025/26
2	General Fund Detail Monitoring Q1 2025/26
3	HRA Monitoring Q1 2025/26
4	Capital Programme Monitoring Q1 2025/26

Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet you must provide copies of the background papers)

None