
Executive Decision- Revenue Budget Monitoring April-December 2024/25

Overview Select Committee

Decision to be taken by: City Mayor

Decision to be taken on: 19 March 2025

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Karen Linnet
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- Report version number: 1

1. Summary

This report is the third in the monitoring cycle for 2024/25 and updates the forecasts presented to this committee in December. The overall forecast net underspend is £5.4m, a significant improvement to the period 6 forecast of £3.4m overspend.

The main areas of overspend are those already identified in previous reports and include:

- Provision for homeless households, where a £7.0m overspend is forecast (an improvement of £0.4m since period 6)
- Costs of SEN home to school transport and respite payments for disabled children are forecast to overspend by £1.7m.

These are offset by a number of underspends, of which the most significant are:

- Children's are forecasting an underspend of £2.3m (£0.8m at period 6), due to staff vacancies and the number of children that are looked after remaining stable.
- Adults are forecasting an underspend of £6.8m (£3.3m at period 6), this is due to difficulties to recruiting to staff vacancies and joint funding of placements with the NHS. It is important to note that this is 4.3% variance against the net budget, 2.6% variance against the gross budget.

It is important to remember the continuous transformation work that is ongoing within homelessness, social care and education to mitigate the growing demand in services.

The budget strategy agreed at Council in February 2025 set savings targets for Divisions. Appendix C notes the management action that has been taken resulting in savings towards the targets.

The cumulative deficit on Dedicated Schools Grant (DSG) funding continues to grow and is forecast to be some £26.4m by March 2025. A time-limited "statutory override" means this does not currently impact the resources available for other services.

2. Recommended actions/decision

2.1 The Executive is recommended to:

- Note the emerging picture detailed in the report.
- Approve the transfers to managed reserve and transformation reserve of the one-off funding identified in paragraph 11.7 and 5.4.
- Note the savings achieved by Officers to achieve their budget saving targets,

2.2 The OSC is recommended to consider the overall position presented within this report and make any observations it sees fit.

3. Scrutiny / stakeholder engagement

N/A

4. Background and options with supporting evidence

The General Fund budget set for the financial year was £429.0m, before the use of managed reserves. Following savings identified since the budget was set, this has been updated to £405.3m.

- Appendix A summarises the original budget, current budget and anticipated spending in 2024/25.
- Appendix B provides more detailed commentary on the forecast position for each area of the Council's operations.
- Appendix C summary of the directors savings taken to date.
- Appendix D summarises the latest forecasts for managed reserves.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

This report is solely concerned with financial issues.

Signed: Kirsty Cowell

Dated: 24/02/2025

5.2 Legal implications

There are no direct legal implications arising from the recommendations of this report.

Signed: Kevin Carter, Head of Law – Commercial, Property & Planning

Dated: 25 February 2025

5.3 Equalities implications

Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't. This report is the third in the

monitoring cycle for 2024/25 and updates the forecasts presented to this committee in December.

It is important to note that currently no policy changes have been proposed but the possibility remains that the Council may need to consider changes to existing services going forward. If this is the case, the Council's equality impact assessment process should be used to evaluate the potential equalities impact of any proposed changes. The aforementioned cost pressures and ongoing identified savings should take into account equality considerations.

Protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. There are no direct equality implications arising out of this budget monitoring report.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 24 February 2025

5.4 Climate Emergency implications

There are no climate emergency implications directly associated with this report, as it is a budget monitoring report.

However, where proposals are brought forward to make additional savings required, any climate emergency implications should be considered and addressed while proposals are being developed and should be identified in the appropriate decision reports at the time. The Sustainability service may be able to help departments with assessing implications as part of the evaluation of proposals ahead of report preparation.

Where any necessary capital funding can be identified or secured, the potential role of invest-to-save energy efficiency and renewable energy projects in helping to address revenue budget pressures while also reducing carbon emissions is also worth noting.

Signed: Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249.

Dated: 24.02.25

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

No other implications are noted as this is a budget monitoring report, and therefore no policy changes are proposed.

6. Background information and other papers:

Report to Council on 21 February 2024 on the General Fund Revenue budget 2024/25

Revenue Outturn Report for 2023/24 presented to OSC on 31 July 2024

Revenue Monitoring Period 3 Report presented to OSC on 26 September 2024

Revenue Monitoring Period 6 Report presented to OSC on 12 December 2024

Report to Council on 19 February 2025 on the General Fund Revenue budget 2025/26

7. Summary of appendices:

Appendix A – Period 9 (April-December) Budget Monitoring Summary.

Appendix B – Divisional Narrative – Explanation of Variances.

Appendix C – Updated reserves position.

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”? If so, why?

No.

Revenue Budget at Period 9 (April – December) 2024-25

Table A

2024-25	Original Budget £000's	Current Budget £000's	Forecast £000's	Variance £000's	Variance %
Financial Services	12,167.3	11,502.8	11,428.8	(74.0)	
Information Services	11,062.7	11,305.3	11,305.3	0.0	
Human Resources & Delivery, Communications & Political Governance	7,534.0	9,751.4	8,414.6	(1,336.8)	
Legal Services	6,309.6	5,947.5	5,703.1	(244.4)	
Corporate Resources & Support	37,073.6	38,507.0	36,851.8	(1,655.2)	(4.3%)
Planning, Development & Transportation	14,251.3	16,313.7	16,122.1	(191.6)	
Tourism Culture & Inward Investment	3,801.1	4,574.2	4,274.5	(299.7)	
Neighbourhood & Environmental Services	38,456.4	43,646.6	43,798.0	151.4	
Estates & Building Services	4,397.7	6,055.9	6,401.1	345.2	
Departmental Overheads	582.4	588.0	588.0	0.0	
Housing Services	15,098.6	15,384.8	22,350.7	6,965.9	
City Development & Neighbourhoods	76,587.5	86,563.2	93,534.4	6,971.2	8.1%
Adult Social Care & Safeguarding	196,402.1	188,772.3	185,908.0	(2,864.3)	
Adult Social Care & Commissioning	(22,989.5)	(31,015.1)	(34,916.3)	(3,901.2)	
Sub-Total Adult Social Care	173,412.6	157,757.2	150,991.7	(6,765.5)	(4.3%)
Strategic Commissioning & Business Support	2,428.7	2,214.1	1,678.0	(536.1)	
Learning Services	21,967.7	22,510.6	23,927.2	1,416.6	
Children, Young People & Families	89,413.2	91,092.5	86,786.4	(4,306.1)	
Departmental Resources	1,794.1	955.3	849.6	(105.7)	
Sub-Total Education & Children's Services	115,603.7	116,772.5	113,241.2	(3,531.3)	(3.0%)
Total Social Care & Education	289,016.3	274,529.7	264,232.9	(10,296.8)	(3.8%)
Public Health & Sports Services	24,965.6	23,009.8	23,009.8	0.0	0.0%
Total Operational	427,643.0	422,609.7	417,628.9	(4,980.8)	(1.2%)
Corporate Budgets	29,089.2	10,396.5	10,752.8	356.3	
Capital Financing	2,118.0	2,118.0	1,308.3	(809.7)	
Total Corporate & Capital Financing	31,207.2	12,514.5	12,061.1	(453.4)	(3.6%)
Public Health Grant	(29,832.1)	(29,832.1)	(29,832.1)	0.0	
TOTAL GENERAL FUND	429,018.1	405,292.1	399,857.9	(5,434.2)	(1.3%)

1.1 Changes since the original budget are summarised in the table below:

	Total General Fund £000's
Original budget	429,018
Savings approved - Period 9 2023/24	(621)
Savings approved - Period 3 2024/25	(23,105)
Latest budget	405,292

1.2 The original budgets split between employees, running costs and income are available at: [2024/25 Budget Summary \(leicester.gov.uk\)](https://www.leicester.gov.uk/2024/25-Budget-Summary)

Divisional Narrative – Explanation of Variances

Corporate Resources and Services

Corporate Resources Department is forecasting to spend £37m, underspending by £1.6m compared to the budget. This is a further improvement on the £0.5m underspend reported at Period 6.

1. Finance

1.1 The Financial Services Division is forecasting a small underspend of £0.1m.

2. Corporate Services

1.2 Taken together Corporate Services are forecasting to spend £19.8m, £1.3m under budget, after the planned use of reserves.

1.3 The HR service is forecasting a £0.7m underspend, resulting from staffing vacancies together with higher than budgeted income, including amounts charged to schools.

1.4 2.3 DDaT is set to breakeven after the planned use of £1.4m of reserves, previously set aside for the purchase of IT equipment.

1.5 2.4 The remainder of Corporate Services has a £0.8m underspend as a result of vacancies across various areas of the service.

1.6 2.5 Through effective cost management as the service closes, City Catering is now projecting an overspend of £0.1m, compared with £0.4 presented at Period 6, which will be offset by use of the school catering reserve.

1.7 2.6 The forecast takes account of the planned use of reserves for Electoral Services for any unfunded costs following the Police & Crime Commissioner (PCC) election in May 2024 and the UK Parliamentary General Election in July 2024.

3. Legal, Coronial and Registrars, Members and Democratic Services

3.1 The service is forecasting to spend £5.9m, which is £0.1m under budget, in line with Period 6. This arose from vacancies earlier in the year within Democratic Services, which have now been filled.

3.2 Coronial and registrar services are forecasting to spend £0.7m as per the budget, after the use of earmarked reserves of £0.2m and support from corporate budgets of £0.2m, as in previous years.

City Development and Neighbourhoods

The department is forecasting to spend £99.5m, some £7m above budget, after the use of the corporate provision towards homelessness costs. Most of this is arising from increasing temporary accommodation costs. The position for each division is as follows:

4. Planning, Development & Transportation

- 4.1. The division is forecasting to spend £16.1m resulting in a £0.2m underspend by year end. This has improved from the breakeven position reported at Period 6.
- 4.2. Government funding via the BSIP (Bus Service Improvement Plan) grant has helped to maintain a high level of tendered bus service provision and to support other bus related measures such as Park and Ride. Expenditure on concessionary fares is forecast to be significantly higher than last financial year, due to higher amounts payable to bus operators arising from an updated calculation model being issued by central government. However, an underspend of £1.1m is still anticipated on concessionary fares.
- 4.3. There has been a small improvement for both on-street and off-street parking income. But we are continuing to experience pressures in off-street parking of £0.4m, this has been mostly offset by an increase in penalty charge notice income of £0.3m.
- 4.4. In a continuation of previous reported pressures, a reduction in the number of major planning applications being submitted has led to a predicted income shortfall of £0.7m. This is partially offset by under-spends of £0.2m within the planning service, principally from staffing vacancies.
- 4.5. An overspend of £0.3m is expected in relation to the running of bus stations with CCTV, cleaning charges and rates anticipated to be higher than budget.

5. Tourism, Culture & Inward Investment

- 5.1. The division is forecasting to spend £4.3m, resulting in a £0.3m underspend by year end. This is an improvement on the breakeven position reported at Period 6.
- 5.2. Markets are currently anticipating a net overspend of £0.2m, driven by a shortfall in income whilst development works continue to the central market area. This has been offset by a £0.2m underspend within economic development. There is a £0.1m overspend at the Haymarket Theatre due to ongoing, unforeseen repair work. This, however, has been offset by a £0.3m underspend for De Montfort Hall due to increased ticket receipts and expanding the range of shows offered.
- 5.3. There is a further £0.1m of underspend across the division due to vacant posts.

- 5.4. The forecast underspend incorporates the early delivery of £0.2m in savings relating to De Montfort Hall, Festivals and Events and Divisional Management. In addition to the core underspend shown here, an underspend of £1.17m is expected on grants across the service. It is proposed that £0.7m is moved to the Transformation reserve, with the remainder going to managed reserves.

6. Neighbourhood & Environmental Services

- 6.1. The division is forecasting to spend £43.8m resulting in a £0.2m overspend, in line with the Period 6 report.
- 6.2. Regulatory services are forecasting to overspend by £0.2m due to shortages in staffing, reducing the generation of building control income and necessitating the use of an external contractor.
- 6.3. Leisure Centres are expecting to underspend by £0.2m with improvements to various income streams. This has helped to offset a £0.1m overspend on higher landfill tax resulting from increases in waste tonnage. A small overspend of £0.1m is also expected within community safety.
- 6.4. The forecast divisional overspend incorporates the early delivery of £0.6m in savings relating to Sports, Standards and Development and Parks and Open Spaces.

7. Estates & Building Services

- 7.1. The division is forecasting to spend £6.4m, resulting in a £0.3m overspend by year end. This has improved from the £0.5m overspend at Period 6.
- 7.2. Within the Corporate Estate, there are £0.4m of extra staffing costs being incurred to support ongoing lease reviews which will, in time, lead to the generation of additional income. There is also a £0.1m overspend on property repairs due to more extensive works being required than anticipated alongside other small pressures relating to energy costs and building cleaning. Work is ongoing to manage these within the current financial year.
- 7.3. An organisational review within soft facilities management has led to a £0.2m underspend on staffing costs. This has helped to partially offsetting the overspend within the Corporate Estate.
- 7.4. The forecast divisional underspend incorporates the early delivery of £0.4m in savings relating to Operations and the Corporate Estate.

8. Departmental Overheads

- 8.1. This area holds budgets for added years' pension costs and departmental salaries. This is forecast to break even.

9. Housing General Fund

- 9.1. The division is forecasting to spend £28.4m, which is an anticipated £7m overspend by the end of the financial year. This includes the use of the £6m provision in the budget for 2024/25. This is an improvement from the £7.3m overspend reported at Period 6 due to additional grant income being received.
- 9.2. As previously reported, increased costs of provision for homeless households are a national issue. The increased presentations of homelessness cases in the city continues to add financial pressure to the service due to grant funding and housing benefit being insufficient to cover the rising costs of temporary accommodation. A further £10.6m budget was allocated for 2024/25 to ease the burden in this area, however temporary accommodation costs are expected to reach £23.5m.
- 9.3. Actions are already being taken to mitigate these pressures – it is estimated that the overspend would have been around £10m without any mitigating action. Frequent reviews of this area are being undertaken and further work is continuing to find longer-term resolutions to this nationally recognised issue.

10. Housing Revenue Account

- 10.1. The Housing Revenue Account (HRA) is a ring-fenced income and expenditure account relating to the management and maintenance of the Council's housing stock. The HRA is forecast to underspend by £2m for the year, compared to the £1.4m underspend presented at Period 6. Revenue is also used for capital spending, and this is reported separately within the capital monitoring report.
- 10.2. Income from core rent and service charges is expected to generate an underspend of £0.2m due to a reduction in voids.
- 10.3. The HRA incurs the cost of interest on its debt and receives income from interest on the cash balances which it holds. Interest on borrowing is forecast to be below budget by £0.7m to a reduction in interest rates. Furthermore, interest receivable will be £0.5m above budget due to the HRA holding higher cash balances.
- 10.4. The Repairs and Maintenance service is forecast to overspend by £0.5m. Whilst there are vacant posts generating underspends of £1.1m, these are partially offset by using contractors to complete remedial works, costing £0.5m. There

have been increased disrepair claims and associated costs in defending and dealing with these claims, creating a pressure of £0.7m. Running costs are set to be above budget by £0.6m due to rising premises costs at the metalwork shop, scaffold hire costs to facilitate necessary repairs and the purchase of updated health and safety equipment. There has been an additional saving of £0.2m on materials due to prices stabilising and more cost-effective alternatives being sought

- 10.5. Management and Landlord Services are expected to underspend by £1.1m. A £0.6m underspend is expected due to vacancies across the services. There will be a £0.4m saving relating to IT system development, as some modules are now not being implemented until the next financial year. There are other small underspends of £0.1m relating to savings on court fees due to reduced evictions and the pay award costing slightly less than budgeted.
- 10.6. The HRA makes contributions towards general fund activities as well as being charged for a fair proportion of the Council's overheads. These are expected to be on budget for the year.

Adult Social Care

11. Adult Social Care

- 11.1. Adult Social Care is forecasting to spend £151m against a net budget £157.7m, resulting in a forecast underspend of £6.8m. Members will recall that there is significant transformation work underway to find lower cost alternatives to providing formal care and a decision to reduce budget to reflect some of this work was taken earlier in the year.
- 11.2. There continues to be difficulties in recruiting full time social workers, social care practitioners and commissioning staff, with vacancies across the social work teams. Whilst agency staff are being used, the overall impact of these vacancies and new staff taking time to work up their pay grade leads to a forecast underspend of £3.2m. Managers within the directorate are working to recruit to vacant posts as soon as possible and are reviewing staffing capacity to ensure resource and need match more accurately.
- 11.3. Although forecast package costs continue to increase, ASC have been working to increase the number of referrals made to health for joint funding from Health of both standard and fast-track packages of care where there is a perceived health need. This follows evidence that Leicester's rate of Continuing Healthcare (CHC) funding per head of population was significantly low in comparison to comparator local authorities and the national position across England. The increased health contribution relates to both review of existing individuals and funding for new individuals. Income of £3.5m is attributable

mainly to a rise in health contributions for packages after increasing the number of referrals made for CHC funding.

- 11.4. In 2023/24, significant progress was made towards the target of reducing the number of new people supported each year by finding alternatives to providing formal care, despite a continued increase in the requests for support. As a result, the assumptions on net growth for 2024/25 had been reduced from 2% to 0% for older people and from 7% to 5% for the working age cohort. As at end of December, the actual net growth in the number of working age adults being supported is 6.12% but the growth in the number of older people being supported is now -0.36% i.e. below the standstill target of 0%. Overall, 5,494 people were being supported at the end of December compared to the full year target of 5,490 and this is a reduction of 21 people to the 5,515 figure as at end of September.
- 11.5. Significant progress was also seen in 2023/24 regarding reducing the cost impact of growth in need. The target in 2024/25 is more stringent at 2% growth. This is currently showing a continuation of the upward trajectory seen in previous quarters and stands at 4.63% and is contributing to a higher gross spend on package costs; however this is subsequently offset by forecast increases to income from charging through people assessed to contribute to the costs of their care package and higher levels of income recharged to Health for joint funded individuals.

Education and Children's Services

12. Education and Children's Services

- 12.1. The services overall are forecasting to spend £113.2m, £3.5m less than the budget. The main areas of overspend relate to SEN home to school transport and direct payments to parents with disabled children for respite. Placement costs for children looked after are currently forecast below budget, although this could change once again as the year progresses. There are vacancies across several services.
- 12.2. The SEN home to school transport forecast expenditure is £16m, £1m more than the budget. Average passenger numbers using taxis was circa 816 a reduction from the first half of the year, however we continue to see increase demand for under 16 transport. This has been slightly offset by the reduced demand for post-16 transport in 2024/25 academic year. Changes to the post-16 SEN transport policy have been delayed, pending further consultation.
- 12.3. Direct payments to parents of disabled children for respite care are forecast to increase again this year. Whilst the budget was increased for 2024/25, the cumulative impact of last year's increase and this year's forecast increase

results in a budget shortfall of £0.7m. A review of eligibility criteria will take place this year with a view to having a revised policy in place.

- 12.4. Looked after children and other placement costs are forecast as £2.3m below the £56m budget. Average costs have fallen due to placements in lower cost accommodation. There has been no net growth in the number of placements in the year to date, with 607 placements at the end of December. Some 60 young people aged 18+ were also being supported. Although an underspend is forecast, the situation could change as the year progresses as both numbers and costs are highly volatile.
- 12.5. £2.9m of savings are forecast, due in the main to staffing vacancies across the department. Managers are working to recruit to vacant posts as soon as possible and are reviewing staffing structures as vacancies are creating significant work pressures.
- 12.6. The cumulative DSG reserve deficit was £9.6m at the end of March 2025. In the last four years prior to 2024/25, the high needs block (HNB) funding had increased by more than 10% annually. This helped offset growth in demand and cost inflation, but the underlying deficit remained. Demand for SEN support continues to outstrip the available resources and the Council's DSG reserve has been run down.
- 12.7. The years of significant increases to the HNB funding allocation from the Government ended in 2024/25. The allocation was increased by 3.3% to £81.6m in 2024/25, which has all been used to towards inflationary increases.
- 12.8. Meanwhile, the number of requests for EHC plans in the academic year 2022/23 reached a record high of 990 with 756 agreed for assessment. The number of new plans agreed for statutory assessment in the academic year 2023/24 are significantly lower at 605 which is good news. Nevertheless, such a reduction only makes the longer-term situation less financially unsustainable than would otherwise be the case. This is because the current funding levels are inadequate for the total cohort of young people across all year groups that are now being supported. With effectively zero real terms funding growth, the in-year deficit increases significantly as the cohort increases. The current year deficit is currently forecast to be around £16.8m, which would take the cumulative deficit at 31 March 2025 to £26.4m.
- 12.9. The service has put in place a range of strategies to mitigate the cost impact of the growth in demand for and complexity of SEN support as part of the HNB Management Recovery Plan and Transformation Project. Leicester is also part of the DfE's SEND and alternative provision change programme, alongside Leicestershire and Rutland for the East Midlands region.

Public Health

13. Public Health

- 13.1. The Public Health Service is forecasting to spend £23m as per the budget. Some small variances at service level offset each other.
- 13.2. In previous years, the national funding for the NHS pay settlement (Agenda for Change) flowed from NHS England and the ICBs to the providers in the first year. It was then built into the following year's public health grant, and councils varied their contracts with providers accordingly. However, for the 5.5% pay award in the current year, the public health grant is to be increased, and local authorities will be expected to vary contracts with providers in-year. The in-year increase in public health grant has been confirmed of £601k which will be distributed to providers.
- 13.3. As reported at period 6, additional government grants of some £6m are expected in 2024/25, significantly more than in previous years. This targeted funding allows further investment in specific services including Substance Misuse, Stop Smoking and 0-19 Children's. The grants are all ringfenced and monitored through regular returns to the funder and are subject to clawback if unspent.

Corporate Items & Reserves

14. Corporate Items

- 14.1. The corporate budgets cover the Council's capital financing costs, items such as audit fees, bank charges, contingencies and levies. This budget is currently forecasting a small underspend of £0.5m, after adjusting the budget for the demographic pressures contingency. The pay award for 2024/25 has been agreed in October 2024, and is broadly in line with the forecast included.
- 14.2. Mid-year estimates predict a shortfall on housing benefit subsidy, relating to supported accommodation where rents can be significantly higher than the maximum amount of subsidy paid by the government. The issue has been increasing in recent years, and we understand it is shared by many authorities across the country. This is likely to lead to an overspend estimated at £2.5m this financial year. The government has opened a consultation of changing the regulations which could provide additional avenues of challenge for future years.
- 14.3. Capital financing costs are expected to be £0.8m below budget. The underspend is largely the result of cash balances being higher than forecast at budget and interest rates remaining higher than budgeted.

- 14.4. The original budget contained £0.5m to fund discretionary (hardship) relief for council taxpayers outside the main CTSS scheme. This support is now being funded from government grant received via the Household Support Fund.
- 14.5. Other variances in corporate budgets include:
- An expected shortfall of £0.6m on grants from central government to reimburse the effect of changes to business rates. This is offset by a £0.5m business rates reimbursement for the vacant Greyfriars property.
 - A £0.2m overspend on coroners' costs.
- 14.6. In period 3 the demographic pressures contingency was reduced to £2m; the forecast includes use of this contingency, although work continues to mitigate costs and the need to utilise this.
- 14.7. Unexpected one-off funding has been identified totalling some £3.2m, consisting of:
- £2.1m of backdated business rates rebates on the Council's properties, following successful appeals made to the Valuation Office;
 - £0.85m of additional grant funding announced in February relating to the national surplus on the business rates retention scheme;
 - £0.25m of prior year provision identified as no longer required following a balance sheet review exercise.

This report contains a recommendation to transfer these amounts to managed reserves to support the budget strategy in future years.

Savings Identified

- 1.1 As members are aware, when we set the budget for 2025/26 there was savings targets set for Divisions. Since setting the budget Directors have been working on actions they can take to achieve the savings. This report identifies where Directors have been able to take actions to achieve their savings.
- 1.2 The table below provides detail on savings achieved by Directors towards their savings targets approved at Council in February 2025.

	2025/26	2026/27	2027/28
<u>Tourism and Culture Inward Investment</u>			
Growth in Theatre Income	132	132	132
Festivals & Events - underspend against current budget	50	50	50
Divisional Management cost reduction	32	32	32
	214	214	214
<u>Neighbourhoods and Environmental Services</u>			
Sports - increased membership income	330	330	330
Leycroft Rd Administration Costs	185	185	185
Ice Cream Concessions	25	25	25
Capitalisation of project team costs	190	190	190
NES Subtotal	730	730	730
<u>Estates and Building Services</u>			
Review of Operations staffing	220	220	220
Haymarket Shopping Centre Operations	150	150	150
EBS Subtotal	370	370	370
Total Savings Reported	1,314	1,314	1,314

Reserves Position

- 1.1 When the 2024/25 budget was set, an estimated £53.9m was available to support the budget strategy, and the budget gap for the year was estimated at £61m, requiring the use of £7.1m of the emergency General Fund balance. In the 2023/24 outturn reported to committee in July 2024, additional one-off resources and savings identified had improved the position somewhat, and the emergency balance was no longer forecast to be required in 2024/25.
- 1.2 The budget adjustments and variances included in this report have further updated the position as shown below:

	£m	£m
Resources available 1 April 2024		80.6
Add: additional one-off transfers		10.0
Rates pool funding expected		6.0
Required for 2024/25 budget:		
As set (February 2024)	61.0	
Savings identified	(23.7)	
		(37.3)
Underspend as forecast in this report		5.4
Forecast for 1 April 2025		64.7

- 1.3 The 2025/26 budget and capital programme reports approved in February also approved the release of £90m from the capital reserve and £20.1m from other earmarked reserves; these are not included in the table above.