

Bolsover District Council

Meeting of the Finance and Corporate Overview Scrutiny Committee
on 4th September 2025

Financial Outturn 2024/25

Report of the Director of Finance & Section 151 Officer

Classification	This report is public.
Contact Officer	Theresa Fletcher Director of Finance and Section 151 Officer

PURPOSE/SUMMARY OF REPORT

To inform Finance and Corporate Overview Scrutiny Committee of the outturn position of the Council for the 2024/25 financial year. This report will be presented to Executive on the 28th of July 2025.

REPORT DETAILS

1. Background

- 1.1 This outturn report is presented to Members at the end of another challenging year for the finance team. The Council published its draft Statement of Accounts in respect of 2023/24 on the 2nd of July 2024. This was over a month past the (then) statutory deadline and was due to a delay in receiving the Dragonfly pension information from the Derbyshire Pension Fund, and the draft financial statements from the Dragonfly auditor, Stopfords Associates Chartered Accountants.
- 1.2 As part of clearing the backlog of local audits for Local Government in England, the audit of the 2023/24 accounts started in October 2024 rather than June, and the backstop date for the sign off of the 2023/24 financial statements was the 28th of February 2025.
- 1.3 The Council received the Dragonfly audited financial statements from Stopfords Associates during February 2025. The Council's auditors Forvis Mazars, 'were unable to complete the audit procedures necessary to obtain sufficient appropriate audit evidence on which to base an opinion before the date the Council had to publish the financial statements for 2023/24.' The auditors, therefore, gave us a disclaimed opinion for the 2023/24 Statement of Accounts which included group accounts for the first time.
- 1.4 Phase 2 of tackling the local audit backlog meant parliament approved changes to the date by which we had to publish accounts for the years 2024/25 to 2027/28, from the 31st of May each year to the 30th of June.

- 1.5 Back stop dates for the audit sign off were also put in place for the same years, as follows:

Financial year	Statutory backstop date
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

This is all intended to give the preparers of the accounts and the auditors, the ability to sign off the accounts in the year following the year end. This is something we usually achieve.

- 1.6 On the 19th of June 2025, we published the Council's draft Statement of Accounts for 2024/25. The draft Accounts are now subject to the independent audit from our external auditor, Forvis Mazars. The group accounts section of the financial statements contains figures taken from the Dragonfly unaudited financial statements, which are subject to audit from their new independent external auditor, Hewittcard Chartered Certified Accountants. Until both sets of accounts have been agreed by the respective auditor, there remains the possibility that they will be subject to amendment.
- 1.7 International Financial Reporting Standards (IFRS) dictate that the main focus of the Statement of Accounts is on reporting to the public in a format which is directly comparable with every country that has adopted IFRS i.e., not just UK or even other local authorities. By contrast, the focus of this report is on providing management information to Members and other stakeholders to assist in the financial management of the Council.
- 1.8 The following sections of this report will consider the 2024/25 outturn position with regard to the General Fund, the Housing Revenue Account (HRA), the Capital Programme, the Treasury Management activities, and the earmarked reserves position. Within the report, consideration is given to the level of balances at the year end and the impact which the closing position has upon the Council's budgets in respect of the current financial year.

2. Details of Proposal or Information

General Fund

- 2.1 The General Fund outturn position is summarised in **Appendix 1** attached to this report. The appendix shows the Current Budget compared to the final Outturn position. The main variances against the current budget are shown in **table 1**, with variances at service level shown in **Appendix 2**.

Table 1

	£000
Rent rebates and allowances	184
Go Active!	(320)
Year-end capital admin allowance	(100)
Pleasley Vale Mills	(88)
Street scene services	(142)
Planning Development Control	(53)
Revenues and Benefits extra income	(69)
Salaries variances	(683)
Non-staff miscellaneous variances	(146)
Net cost of services	(1,417)
Debt Charges/Investment Interest	(91)
Extra contributions to general fund from reserves/holding a/c's	(34)
Additional general government grants	(46)
Total Outturn Variance	(1,588)
Changes to general fund balance since revised budget – until outturn	13
Contribution to Reserves – 2024/25 Outturn	(1,575)

Financial Reserves

Transfers from Earmarked Reserves

- 2.2 The use of earmarked reserves in 2024/25 was £2.119m. This reflects the expenditure incurred on projects at 31st March 2025 which have approval to use earmarked reserves.

Transfers to Reserves

- 2.3 At the end of the financial year, it has been necessary to agree transfers into reserves in preparation for future expenditure commitments, some from income received in 2024/25. Transfers to reserves total £5.773m which is £1.575m higher than originally forecast, reflecting the outturn shown in **table 1**.

These consist of:

- £0.200m contribution to the IT Reserve to fund future expenditure requirements.

- £0.200m contribution to the Legal Costs Reserve in preparation to fund future specialist legal advice, on such as the APSE case or planning applications.
- £0.100m contribution to the 3G Pitch Carpet Replacement Reserve, as a requirement of the grant conditions from an external funder.
- £0.350m contribution to the Building, Repair and Renewal Reserve to fund future unexpected works on the Council's buildings, for repair such as Pleasley Vale or security such as the post room changes. This is included within the General Reserve.
- £0.300m transfer to the Vehicle Replacement Reserve to finance new vehicles instead of borrowing and incurring interest costs.
- £0.170m transfer to the NNDR Growth Protection Reserve to mitigate against future changes to the funding of the Council and help balance the final year of the MTFP.
- £0.200m contribution to the General Reserve in anticipation of any Local Government Reorganisation costs incurred by the Council.
- £0.055m transfer to the Transformation Reserve as the remainder of the in-year surplus.

2.4 Attached at **Appendix 7** is a table showing the Council's earmarked reserves position for both the HRA and the general fund. After the transfers to reserves made as part of this report the general fund has total earmarked reserves of £24.673m, and the HRA has £3.396m, both as at the 31st of March 2025. The total of £28.069m is shown in the Council's 2024/25 Statement of Accounts.

2.5 Of this total figure there is already an element of reserves committed to be spent, this is from previous committee reports or delegated decisions, which were approved prior to 2025/26 in most cases. The amount committed is £20.718m for general fund and £1.572m for the HRA. A brief description of the reserve and the unallocated balances of £3.955m and £1.824m respectively, are given in **Appendix 7**. Should any of these reserves prove unnecessary in the future, they will be moved back into unallocated General Fund or HRA resources, whichever is appropriate.

General Fund Balances

2.6 The General Fund Balances are considered to be at an acceptable level for a District Council rather than at a generous level. The General Fund balance remains at £2.001m in line with the MTFP. This needs to be considered against the background of ongoing changes to the level of Government funding together with the range of risks facing the Council.

2.7 Given the level of general balances, should either an overspend or an under achievement of income occur, immediate 'crisis' remedial action would need to be considered. Such a response is not conducive to sound financial management but

more importantly would have a significant detrimental impact upon the Council's ability to deliver the planned and agreed level of services to local residents. It is for this reason that the Council keeps a number of earmarked reserves too.

- 2.8 The main feature of the 2024/25 financial year is that the Council transferred £1.575m to Earmarked Reserves in preparation for future expenditure.
- 2.9 With regard to the underlying favourable variance on the General Fund in 2024/25, this will be reviewed as usual during the budget process for 2025/26 – 2029/30, from August onwards. The latest position for all years in the current MTFP is shown in **Table 2**.
- 2.10 As a Council we made it our strategy to save extra business rates income earned in years when we received more than we estimated, to be able to use it in future years when Government funding was reduced. This is being held in the NNDR Growth Protection Reserve and the balance after the transfer from the 2024/25 outturn is £14.210m. Transfers are made from this reserve to the general fund to replace the losses caused by changes in Government funding.
- 2.11 Within the current MTFP, estimates of the movement from the reserve are as follows: there is a contribution from the reserve to general fund of £0.049m in 2025/26, £4.964m in 2026/27, £5.017m in 2027/28, and £4.180m in 2028/29. The table below shows that in January 2025 when we prepared the MTFP, a budget gap remained in the final year, 2028/29. As part of the budget process mentioned in 2.9 above, we will aim to reduce this budget gap as much as possible.

Table 2

	2025/26 Budget £000	2026/27 Budget £000	2027/28 Budget £000	2028/29 Budget £000
Net Cost of Services	15,609	15,733	16,349	16,904
Net debt charges + investment interest	(1,635)	(2,068)	(2,415)	(2,619)
Net t/f to/(from) reserves + balances	1,209	568	524	471
Net t/f to/(from) NNDR Growth Protection Reserve	(49)	(4,964)	(5,017)	(4,180)
Parish precept	4,583	4,583	4,583	4,583
Funding from council tax, business rates and government grants	(19,717)	(13,852)	(14,024)	(14,206)
Use of GF balance	0	0	0	953

Housing Revenue Account (HRA)

- 2.12 The Housing Revenue Account is provided in **Appendix 3 and 4** to this report.
- 2.13 The Housing Revenue Account position shows a number of variances during the year. The main expenditure under spends are in relation to staff related budgets £0.178m within various sections of the HRA, £0.401 increased income from services, and a combined saving of £0.275m against the stores-issues and sub-contractor cost budget. The overall expenditure position is £0.477m below the current budget. The overall income position is £0.376m above the current budget. This gives a net cost of services under spend of £0.853m, adjusting to £0.810m under spend after interest and depreciation.
- 2.14 The surplus of £0.810m has been used to fund a contribution to the HRA Development Reserve which will be available to fund future expenditure requirements. This is included in **Appendix 7** with the other HRA earmarked reserves and is discussed more in paragraph 2.4 and 2.5. The HRA balance was increased back to former levels during 2024/25 as planned in the MTFP, to £2.007m. The HRA balances are considered appropriate with the level of financial risk facing the HRA. Maintenance of the balances is necessary as it will help ensure the financial and operational stability of the HRA which is essential if we are to maintain the level of services and quality of housing provided to our tenants over the life of the 30-year Business Plan.
- 2.15 Where the use of Reserves has not been fully applied in 2024/25 and there are ongoing commitments for these activities in 2025/26, the funding will be carried forward and utilised. The balance of the HRA reserves at 31st March 2025 is £3.396m and the unallocated balance is £1.824m.

Capital Investment Programme

- 2.16 Details of the capital expenditure incurred by the Council in 2024/25 on a scheme-by-scheme basis is provided in **Appendix 5**. The Capital Programme may be summarised as follows:

General Fund:	Current Programme £'000	Outturn £'000	Variance £'000
GF Building Assets	9,990	4,225	(5,765)
GF ICT Schemes	788	243	(545)
Leisure Schemes	789	654	(135)
Disabled Facilities Grants	950	654	(296)
Investment Activities	533	533	0
GF Vehicle/Plant Replacements	3,598	1,804	(1,794)
General Fund Total	16,648	8,113	(8,535)

HRA:	Current Programme £'000	Outturn £'000	Variance £'000
HRA New Build Properties	11,965	6,521	(5,444)
HRA Vehicle Replacements	1,399	1,027	(372)
Public Sector Housing Schemes	7,429	5,997	(1,432)
HRA ICT Schemes	42	4	(38)
HRA Total	20,835	13,549	(7,286)
Programme Total	37,483	21,662	(15,821)

General Fund Schemes

- 2.17 In relation to the General Fund element of the Capital Programme during 2024/25, £8.535m was not undertaken. Shirebrook Crematorium, ICT infrastructure and Vehicle replacements were the main variances.

HRA Schemes

- 2.18 Within the HRA the variances show that £7.286m of the total HRA programme has not been undertaken during the year. The New Build Properties category constituted the main variance.
- 2.19 **Appendix 5** also details the proposed carry forward amounts to 2025/26. These requests relate to individual schemes that are still in progress, where there are outstanding commitments or where the scheme has been delayed. The carry forward amount is £13.822m with the impact on the 2025/26 capital programme detailed in the appendix. It should be noted that all these expenditure requirements will take forward a corresponding level of financial resources and thus have a neutral impact on the financial position in 2025/26.

Capital Financing

- 2.20 The Capital Programme was financed as follows:

General Fund:	Current Programme £'000	Outturn £'000	Variance £'000
The Better Care Fund	950	654	(296)
Prudential Borrowing	6,378	3,572	(2,806)
Reserves	5,318	1,996	(3,322)
Capital Receipts	215	483	268
External Funding	3,787	1,408	(2,379)
Total General Fund	16,648	8,113	(8,535)

HRA:	Current Programme £'000	Outturn £'000	Variance £'000
Major Repairs Reserve	6,738	5,372	(1,366)
Prudential Borrowing	9,255	2,858	(6,397)
HRA Reserves	11	11	0
Capital Receipts	2,025	2,057	32
External Funding	2,806	3,251	445
Total HRA	20,835	13,549	(7,286)
Grand Total	37,483	21,662	(15,821)

General Fund Capital Financing

- 2.21 Officers have financed the General Fund Capital Programme from a combination of capital receipts, reserve contributions, prudential borrowing, and external funding.

HRA Capital Financing

- 2.22 Officers have financed the HRA Capital Programme from a combination of capital receipts, reserve contributions, prudential borrowing, and external funding.

Treasury Management

- 2.23 **Appendix 6** provides a brief report on the Treasury Management activity of the Council for 2024/25. In summary, the Council operated throughout 2024/25 within the Authorised and Operational Boundary limits approved in the Treasury Management Strategy as approved by the Council in January 2024.

- 2.24 The key points from the summary report are:

- The overall borrowing requirement of the Council (the Capital Financing Requirement) - £129.960m at 31 March 2025.
- Effective internal borrowing - £51.160m.
- The PWLB debt - £78.8m.
- £7.2m repayments of PWLB debt in year.
- No new PWLB borrowing was undertaken in 2024/25.
- PWLB interest paid in 2024/25 - £2.837m.
- Interest received on investments - £1.272m.

3. Reasons for Recommendation

General Fund

- 3.1 During 2024/25, the Council managed its budget effectively securing a favourable financial outturn. The Council was able to make contributions of £1.575m to reserves in preparation for future expenditure commitments. The Council's general fund earmarked reserves total £24.673m and have £20.718m committed against them, at the time of writing this report.

HRA

- 3.2 Again, effective budget management meant the Council was able to contribute £0.810m to the HRA Development Reserve in preparation for future expenditure commitments. The HRA continues to operate within the parameters set by the 30 Year Business Plan and the MTFP. Officers will be working to ensure that the Business Plan continues to reflect the impact of government legislation, that it is updated in response to the stock condition survey undertaken during 2024/25 and continues to be sustainable over the 30-year period of the Business Plan.

Capital Programme

- 3.3 The Capital Programme saw good progress on approved schemes during the 2024/25 financial year. There are, however, a number of schemes which are work in progress and this requires that the associated expenditure and funding be carried forward into the 2025/26 financial year.

Capital Financing

- 3.4 Capital expenditure during 2024/25 has been fully financed in line with the approved programme. However, in some instances where schemes are funded from more than one source and run over more than one year, funding used to finance expenditure this year may differ to originally planned for this year in the MTFP. By the end of the project all financing will have been applied as originally approved.

Treasury Management

- 3.5 The Council operated in line with its agreed Treasury Management Strategy during the 2024/25 financial year. This ensures that lending and borrowing arrangements were prudent and sustainable, minimising the risk of financial loss to the Council. Effective management of these arrangements ensured that interest costs during the year were minimised in order to assist the Council's revenue position whilst interest receivable rose.

4 Alternative Options and Reasons for Rejection

- 4.1 The financial outturn report for 2024/25 is primarily a factual report which details the outcome of previously approved budgets therefore there are no alternative options that need to be considered.
- 4.2 The allocation of resources to earmarked reserve accounts has been undertaken in line with the Council's policy and service delivery framework and in the light of the risks and issues facing the Council over the period of the current MTFP. If these risks do not materialise or are settled at a lower cost than anticipated, then the earmarked reserves will be reassessed and returned to balances where appropriate.

RECOMMENDATION(S)

1. That Members note the outturn position in respect of the 2024/25 financial year.
2. That Members note the transfers to general fund earmarked reserves of £1.575m as outlined in detail in paragraph 2.3.
3. That Members note the transfers to HRA earmarked reserves of £0.810m as outlined in detail in paragraph 2.14.
4. That Members note the proposed carry forward of capital budgets detailed in Appendix 5 totalling £13.822m.

Approved by the Portfolio Holder – Cllr Clive Moesby, Executive Member for Resources

IMPLICATIONS.

Finance and Risk: Yes ☒ No ☐

Details:

The financial implications are set out within the body of the report.

Members should note that the budgets against which we have monitored the 2024/25 outturn were those agreed within the Council's Medium Term Financial Plan (MTFP). The MTFP considered both the affordability of the budgets that were approved and ensured that the level of balances remained adequate for purposes of enabling sound financial management.

The issue of financial risk is covered throughout the report. The risk of not achieving a balanced budget, together with the risk that the Council's level of financial balances will be further eroded are currently key corporate risks identified on the Council's Strategic Risk Register.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes ☒ No ☐

Details:

The Statement of Accounts for 2024/25 is required to be prepared by 30 June and audited by the 27th of February 2026 as phase 2 of the process to clear the local audit back log as described in the report. The Council has now completed the draft Statement of Accounts, and they have been signed off by the Section 151 Officer as at the 19th of June 2025.

On behalf of the Solicitor to the Council

Environment:

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:

Not applicable to this report.

Staffing: Yes ☐ No ☒

Details:

There are no human resource issues arising directly out of this report.

On behalf of the Head of Paid Service

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: Revenue - £75,000 ☐ Capital - £150,000 ☐ ☒ <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
Consultation: Leader / Deputy Leader ☐ Executive ☐ SLT ☐ Relevant Service Manager ☐ Members ☐ Public ☐ Other ☐	Details: Portfolio Holder for Finance

Links to Council Ambition: Customers, Economy, and Environment.

DOCUMENT INFORMATION	
Appendix No	Title
1	General Fund Summary – Outturn 2024/25
2	General Fund Detail – Outturn 2024/25
3	Housing Revenue Account – Outturn 2024/25
4	Housing Revenue Account Detail – Outturn 2024/25
5	Capital Expenditure – Outturn 2024/25
6	Treasury Management – Outturn 2024/25
7	Earmarked reserves – at 31 March 2025

Background Papers
<i>(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 Executive, you must provide copies of the background papers).</i>
None